



**AGENDA**

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

**BOARD OF DIRECTORS MEETING**

June 8, 2021 - 12:00 P.M.

**By Public Teleconference**  
**(866) 845-1266, 65069804#**

*Due to the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Authority to assemble in a single location, so this meeting is being held electronically, pursuant to Section 4-0.01 of the 2020 Appropriations Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Authority and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the number above to attend the meeting electronically. The Authority will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3701.1 of the Code of Virginia.*

**I. Approval of May 11, 2021 Board of Directors Meeting Minutes**

**II. Public Hearing for Tax-Exempt Bond Projects**

Virginia Baptist Homes Inc. DBA LifeSpire. – LifeSpire – Henrico, Culpeper, and Lynchburg – Approval of Inducement and Final Bond Resolutions for \$110,000,000 Bond Issuance (Ms. Anna Mackley)

**III. Board Resolution in support of the Authority's Application to the U.S. Department of Commerce – Economic Development Administration regarding the Reinvigorating Lending for the Future Act (Ms. Anna Mackley)**

**IV. Board Review and Ratification**

- a. *Child Care Financing Program* – Approved
  - Montessori Children's House of Lucketts
- b. *SWaM Microloan Program* – Approved
  - Kylla Custom Rock Wear LLC
  - Montessori Children's House of Lucketts
- c. *Child Care Financing Program* – Declined
  - DJ Shining Stars Day Care
- d. *SWaM Microloan Program* – Declined
  - BHS Consulting LLC
  - Showtime Landscaping & Development LLC
  - Showtime Logistics & Transportation LLC

**V. Public Comment Period**

**VI. Other Business**

**VIII. Adjourn**



## MINUTES

### VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

#### BOARD OF DIRECTORS MEETING

**May 11, 2021, 12:00 P.M.**

**By Public Teleconference**

**(866) 845-1266, 65069804#**

- I. Chairman Hopper opened the meeting at 12:01 p.m. and welcomed the Board and guests. Mr. Pisons was asked to conduct a roll call for the telephonic meeting:
  - A. Board Directors present: Mr. Linh Hoang, Mr. Corey Holeman, Chairman John Hopper, Mr. Ronnie Johnson, Mr. Michael Joyce, Mr. Jay Mahone, designee for Manju Ganeriwala, Ms. Susana Marino, Ms. Jennifer Mayton, and Mr. Sanjay Puri
  - B. Board Directors absent: Vice Chairman Neil Amin, Ms. Manju Ganeriwala, Mr. William Smith
  - C. VSBFA Staff present: Mr. Howard Pisons, Ms. Anna Mackley, Ms. Linda Tackett, Ms. Karen White, Ms. Robin Foster, and Ms. Angela Reese
  - D. Others present: Mr. Don Ferguson (Senior Assistant Attorney General), Mr. TW Bruno (McGuire Woods, Church Schools), Mr. Jack “Chip” Broadway (Vice President, Church Schools in the Diocese of Virginia Inc.), Mr. Peter Pastore (Chief Financial Officer and Operations Manager, St. Catherine’s School)
- II. Chairman Hopper called the meeting to order and read the Emergency Declaration allowing public board meetings and hearings to be held by toll free telephonic conferencing due to the COVID-19 state-of-emergency.
- III. Approval of Minutes

A motion was made by Mr. Johnson and seconded by Mr. Joyce to approve the April 13, 2021 Board of Directors Meeting minutes. Mr. Pisons called the roll. Voting aye: Mr. Hoang, Mr. Holeman, Mr. Hopper, Mr. Johnson, Mr. Joyce, Mr. Mahone, Ms. Marino, Ms. Mayton, and Mr. Puri. Voting nay: None.

**The Public Hearing was declared open at 12:07 p.m.**

#### IV. Tax-Exempt Bond Projects

*Church School in the Diocese of Virginia Inc. – Final Resolution \$25 million*

Ms. Anna Mackley presented the final resolution for a \$25 million bond issuance to the Church School in the Diocese of Virginia Inc. (CSDV). The proceeds of the \$25 million bond issuance will be utilized to finance and refinance various capital projects at St. Catherine’s School in the City of Richmond and in the St. Catherine’s athletic fields in Goochland County. At the main campus on Grove Avenue, the bond proceeds will finance the construction of a new theater, fine arts and performing arts center, as well as new sidewalks and parking improvements. The bond will also refinance the principal outstanding on two bonds previously issued by VSBFA in 2009

and 2019, as well as finance the cost of issuance.

Mr. TW Bruno and Mr. Chip Broadway and Mr. Peter Pastore presented an overview of the development plans highlighting:

- CSDV's Project Manager is a Woman and has been a leader and roll model to the all-girls school
- CSDV project estimated 200 workers from different trades start to finish and 70% of them are minorities
- CSDV project has thirty-four (34) out of thirty-five (35) companies that are small businesses to finish this project

Chairman Hopper called for the motion to approve final resolution. Mr. Holeman motioned for approval the motion was seconded by Ms. Marino and approved by the Board by roll call. Mr. Pisons called the roll. Voting aye: Mr. Hoang, Mr. Holeman, Mr. Hopper, Mr. Johnson, Mr. Joyce, Mr. Mahone, Ms. Marino, Ms. Mayton, and Mr. Puri. Voting nay: None. Mr. Hoang

*Church School in the Diocese of Virginia Inc. – Initial Resolution \$13 million*

Ms. Anna Mackley presented the request for an initial inducement resolution for a \$13 million bond issuance to the Church School in the Diocese of Virginia Inc. (CSDV). The proceeds of the \$13 million bond issuance will be utilized to refinance and reduce their debt service. This refinancing will allow St. Christopher's and Stuart Hall Schools to reduce their debt service costs, which will allow them to dedicate more revenues to their mission of educating students. This mission includes further each schools' commitment to diversity and inclusion, which efforts include including awarding scholarships to students who cannot afford tuition. St. Christopher offers more than \$3 million of scholarships annually. In addition, St. Christopher's is undertaking professional development training for faculty and staff to broaden perspectives and recruit educators from diverse backgrounds.

Chairman Hopper called for public comment, hearing none Chairman Hopper called for a motion to approve initial inducement resolution. Ms. Mayton motioned for approval the motion was seconded by Mr. Holeman and approved by the Board by roll call. Mr. Pisons called the roll. Voting aye: Mr. Hoang, Mr. Holeman, Mr. Hopper, Mr. Johnson, Mr. Joyce, Mr. Mahone, Ms. Marino, Ms. Mayton, and Mr. Puri. Voting nay: None.

V. Board Review and Ratification

VI. Public Comment Period

Chairman Hopper called for comments from the attending public. Hearing none the comment period and the Public Hearing was closed at 12:22 p.m.

VII. Other Business

- A. Update on JLARC Audit Response Credit Policy Manual presented by Mr. Howard Pisons. The target date to have a draft ready for the Board was April 30<sup>th</sup> currently behind on that date and it will push until the end of May.
- B. Update on Rebuild VA Grant Fund presented by Mr. Howard Pisons and Ms. Jennifer Mayton. The General Session approved \$25,000,000 of Virginia gray machine tax revenue to

be allocated to the Rebuild Virginia Grant, which will be distributed to applicants already in the system. The Special Session may offer more funding from the American Rescue Plan funds granted to the states from the federal government, we will know more possibly in August.

- C. Update on Salesforce presented by Mr. Howard Pisons. Progress is being made with getting Salesforce set up for the whole agency which will assist VSBFA in managing data and provide better resources for reporting purposes. Working to set up a portal through Salesforce for our Small Business Investment Grant (SBIG) to make the application and communication easier and more efficient for everyone.
- D. Update on VSBFA open positions subject to being filled presented by Mr. Howard Pisons. Offer has been extended to candidate for the Regional Lending Manager (RLM) position, awaiting response. Accounting and Operations Manager (AOM) posting has closed with 18 applicants that have been screened by the Department of Human Resource Management (DHRM).
- E. Update on VSBFA pipeline was presented by Mr. Howard Pisons and agreed that more details would be provided in the next board meeting.
- F. Update on the State of Emergency declared by the Governor of Virginia due to Covid-19 presented by Ms. Jennifer Mayton. The state of emergency is expected to expire on June 30<sup>th</sup>, unless the Governor extends it, which will mean all board meeting will be held once again fully in person.

VIII. The meeting was adjourned at 1:34 pm.

## 501c3 TAX-EXEMPT BONDS

### Guidelines for Consideration

- Positive economic development benefits to Virginia
- Public opinion regarding the project indicates support
- Meets tax-exempt issue requirements based on review and concurrence of the Attorney General's Office and Bond Counsel

### VSBA Liability Issues for Consideration

- VSBA bears no liability on bonds - only serves as a "conduit" issuer
- All documents/resolutions are reviewed and approved by the Attorney General's Office
- Project Applicant(s) meets VSBA criteria of a "small" business

### Company Information

<b>Borrower:</b>	Virginia Baptist Homes, Inc. d/b/a LifeSpire of Virginia	<b>Date:</b>	June 1, 2021
<b>Address:</b>	3961 Stillman Parkway	<b>VSBA:</b>	Mackley, CCO
<b>City/County:</b>	Glen Allen, Virginia 23060	<b>Non-Profit Mission:</b>	Non-profit senior living communities and services
<b>TIN:</b>	54-0534405	<b>Localities:</b>	Henrico, Culpeper and Lynchburg
<b>NAICS:</b>	623311	<b>Bond Counsel</b>	<a href="mailto:tbruno@mcguirewoods.com">tbruno@mcguirewoods.com</a>
<b>Borrower Contact(s):</b>	Chris Markwith, Chief Financial Officer <a href="mailto:cmarkwith@lifespireliving.com">cmarkwith@lifespireliving.com</a> (804) 521-9206	<b>Email and phone #</b>	(804) 775 1853
<b>Bond Counsel:</b>	T.W. Bruno, Esq. McGuire Woods		

### Bond Request

**Amount** \$110,000,000

#### Purpose of bonds and use of funds

To finance and refinance 36 independent living dwellings, site work, infrastructure and improvements at the Borrower's community in Culpeper (the "Culpeper") and to refinance bonds previously issued by the EDA of Culpeper; to finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and other improvements at the Borrower's community in Henrico ("Lakewood") and to finance capital projects around at Lakewood in and around the existing structures; to finance and refinance the acquisition of certain independent living and assisted living facilities and vacant land in Lynchburg at a life plan community (the "Summit") and to finance capital projects around the existing structures; to finance, as needed, reserves, working capital, capitalized interest and costs of issuance.

**Underwriters** Herbert J. Sims & Co., Inc. ("HJ Sims"), or a group of underwriters managed by such firm

**Total Project Cost** \$110,000,000

### Terms

<b>VSBA</b>	<b>Amortization</b>	<b>Bond Interest Rate</b>
Annual Fee 1/10 of 1% (Annual Fee not to exceed \$250,000 annually)	Maturity prior to 12-31-2061	Not to exceed 7%

### Economic Impact

**Job creation/retention** 1,058 employees Average wage of \$36,455 (Construction employment of 1,124)  
**Qualifies under 501c3 criteria**

### Approval Recommended:

By: Anna Mackley

Date: 6-2-2021



## TAX-EXEMPT BOND PROGRAM

Virginia Baptist Homes Inc. d/b/a LifeSpire of Virginia  
June 2, 2021

### **Borrower and Transaction Background:**

Virginia Baptist Homes d/b/a LifeSpire of Virginia ("LifeSpire") was originally formed in Culpeper, Virginia to provide senior living communities and care for older members of Baptist-affiliated churches. Over time, LifeSpire has expanded to operate four nonprofit life plan communities, an entity offering a plan to those who wish to age in place in their own home and a growing Foundation that raises funds to help seniors in need. LifeSpire communities are home to approximately 1,388 residents and the organization also provides "at home" services to approximately 99 individuals. The four communities operated by LifeSpire include: The Culpeper in Culpeper County, The Chesapeake in Newport News, The Glebe in Botetourt County, and Lakewood Manor in Henrico County.

LifeSpire currently employs 1,058 employees. A portion of this financing will expand LifeSpire's footprint in the Lynchburg region, thereby opening employment opportunities in the healthcare and nursing sectors and for maintenance and support staff.

### **Request:**

The LifeSpire Borrower and its affiliate corporations Culpeper Baptist Retirement Community, Inc., d/b/a The Culpeper (the "Culpeper Borrower"), Lakewood Manor Baptist Retirement Community, Inc. (the "Henrico Borrower"), Newport News Baptist Retirement Community, Inc., d/b/a The Chesapeake (the "Newport News Borrower"), The Glebe, Inc. (the "Daleville Borrower") and an as yet to be formed entity further described below (collectively, the "Borrowers") are seeking approval of an inducement resolution which will allow the issuance of \$110,000,000 in tax-exempt bond financing. The bond proceeds will be used:

- To finance and refinance the construction of approximately 36 independent living dwellings, site work, infrastructure and connectivity improvements and other related facilities at The Culpeper (owned and operated by the Culpeper Borrower) located in Culpeper, Virginia, and to refinance the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bonds, Series 2017A and Series 2017B, which financed and refinanced a replacement facility and related improvements at The Culpeper;
- To finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and connectivity improvements and other related facilities at the Borrowers' community known as Lakewood Manor, (owned and operated by the Henrico Borrower) located in Henrico, Virginia;
- To finance and refinance the acquisition of certain existing independent living and assisted living facilities and vacant land in Lynchburg, Virginia at a life plan community currently known as The Summit (the LifeSpire Borrower expects to acquire these projects through a to-be formed wholly-owned subsidiary); and
- To finance, if and as needed, amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

The Bonds are expected to be sold to Herbert J. Sims & Co., Inc. ("HJ Sims"), or a group of underwriters managed by such firm. The issuance is expected to benefit the borrower by optimizing the credit structure of the borrower and thereby provide for its long-term stability, as well as to take advantage of attractive market conditions to finance and refinance existing bonds. By doing so, the Borrower will be able to finance critical projects that will allow it to maintain marketability and provide better quality services to seniors.

VSBFA serves as a conduit issuer for these bonds, and consequently, neither VSBFA nor the Commonwealth bears any credit exposure or liability for these bonds. As compensation for our role in the financing, VSBFA receives a fee equivalent to 1/10 of 1% of the outstanding principal amount under the bonds, with a maximum annual fee of \$250,000.

**Staff Recommendation:**

The Virginia Attorney General's office has reviewed the bond resolution as to form and approves. Approval is recommended.

**Project Location:** Culpeper County, Henrico County and City of Lynchburg

**Sources of Funds:** Proceeds of \$110,000,000 bond issuance

**Recommended:** Anna B. Mackley, Chief Credit Officer and Operations Manager  
June 2, 2021

**APPLICATION TO**  
**THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**  
**FOR THE ISSUANCE OF CONDUIT BONDS**

<u>LifeSpire of Virginia</u>	<u>May 24, 2021</u>
NAME OF APPLICANT(S)	DATE SUBMITTED
<u>Culpeper, Lynchburg, and Henrico, Virginia</u>	<u>\$110,000,000</u>
LOCATION OF PROJECT (COUNTY OR CITY)	MAXIMUM AMOUNT OF BONDS REQUESTED

**APPLICATION**

The information requested in this application is necessary to process a request for assistance. Please complete all the blanks, using "NONE" or "NOT APPLICABLE" where necessary. In all cases, if the applicant (project owner) is different from the project user, information should be provided on both entities. If more space is needed to answer any specific question, use a separate sheet of paper.

**I. TYPE OF FINANCING**

A. For what type of financing are you applying? Choose one.

- (1) Tax-exempt industrial development bond? ☐
- (2) Tax-exempt 501(c)(3) bond? ☒ (*go directly to Section II*)
- (3) Taxable bond? ☐

B. If you checked (1) or (3) above, does the applicant, including any parent or subsidiary corporation or affiliated entity, in Virginia have:

- (1) 250 or less employees? Yes ☐ No ☐  
Please state number of full time employees:
- (2) Less than \$10,000,000 in annual gross revenues over each of the last three (3) fiscal years?  
Yes ☐ No ☐
- (3) Less than \$2,000,000 in net worth? Yes ☐ No ☐

**II. PROJECT APPLICANT** (proposed owner of the project)

A. Applicant's Legal Name: Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia  
Address: 3961 Stillman Parkway

City/State/Zip: Glen Allen, Virginia 23060

Federal Tax ID#: 54-0534405

NAICS: 623311

Contact Person and Title: Chris Markwith, CFO

E-mail address: [cmarkwith@lifespireliving.com](mailto:cmarkwith@lifespireliving.com)

Telephone Number: 804-521-9206

- B. Is the proposed project owner, and/or user, a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship:

LifeSpire of Virginia is the parent organization of the two owners of the communities:  
Culpeper Baptist Retirement Community, Inc. (d/b/a The Culpeper)  
Lakewood Manor Baptist Retirement Community, Inc. (d/b/a Lakewood)

- C. History and Background of Applicant:

- Corporation ☒ Partnership ☐ Sole Proprietorship ☐
- LLC ☐ LLP ☐ Sub-S ☐
- Date and State of organization: Virginia (1948)

- Please provide a brief history of the organization and the goods or services it provides.

LifeSpire was originally formed to provide senior living communities and care for older members of Baptist-affiliated churches at its Culpeper community. Over time LifeSpire has expanded to operate four communities plus other senior living services whose mission is to empower individuals with choices in purposeful living built on our values of faith, servant leadership, stewardship, integrity, peace of mind, innovation and joy.

- Please describe your current service area and number of clients or customers, and describe how the proposed project will affect the quantity and quality of goods or services you currently provide.

LifeSpire communities are home to approximately 1,388 residents, and LifeSpire's "at home" services provide care to approximately 99 individuals.

The four communities operated by LifeSpire include: The Culpeper, Lakewood, The Chesapeake (located in Newport News) and The Glebe (located in Botetourt County).

LifeSpire anticipates acquiring a community in Lynchburg currently called The Summit.

- Please attach a current listing of the organization's board of directors and (for 501(c)(3) applicants only) verification of its 501(c)(3) status.  
SEE ATTACHED

D. Officers: Please list the names of the officers of the organization, their titles and their start dates.

Name	Title	Start Date
<u>Jonathan Cook</u>	<u>CEO</u>	12/1/2014
<u>Chris Markwith</u>	<u>CFO</u>	1/29/2018

E. Facility

- Is any part of the facility to be used by another public or private entity? If yes, please explain.

NO

- Does the facility possess all of the necessary licenses and permits for operation? If no, please explain.

YES

### III. PROJECT REPRESENTATIVES

Contact Person, Company Name, Complete Address, Telephone Number and email address:

A. Applicant's Attorney: McGuireWoods, LLP  
800 East Canal Street  
Richmond, VA 23219  
(804) 775-1030  
David L. Richardson, Esquire

B. Applicant's Bond Counsel: McGuireWoods, LLP  
800 East Canal Street  
Richmond, VA 23219  
(804) 775-1030  
David L. Richardson, Esquire

C. Probable Lender/  
Underwriter for this Project: To be determined

### IV. PROJECT SUMMARY

A. Please provide a brief narrative description of the project to be financed (including square footage, type of facility, products produced, if any, etc.):

Please see the attached public hearing notice in the supplemental materials.

B. Location(s) of Proposed Project (if there is more than one, please attach a separate sheet)

1. Street Address: See Attached List
2. City, County or Town: See Attached List
3. Name, complete address, telephone number and email address of Economic or Industrial

Development Director:

Name: See Attached List  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Email address:

4. Name, complete address, and telephone number of Clerk of Local Governing Body (i.e., Council [for cities and towns] or Board of Supervisors [for counties]): (For more than one locality, please attach separate sheet.)

Name: See Attached List.

Address:

Telephone:

C. Zoning and Infrastructure:

1. Do proposed uses of project comply with all governmental zoning and subdivision regulations?

Yes ☒ No ☐

If no, explain action to be taken to comply.

D. Source of cash for repayment of bond debt:

Operations of the communities and potential proceeds from capital campaigns.

**V. PROJECT COSTS = See attachment**

- A. State the costs reasonably necessary for the completion of the proposed project, together with any machinery and equipment to be acquired in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

**\*\*\*See Attached\*\*\***

1.	<u>Description of Cost</u>	<u>Amount</u>
	Land (Purchase)	\$
	Buildings (Purchase)	
	Buildings (Construction)	
	Buildings (Renovations)	
	Equipment, machinery	
	Utilities, roads and appurtenant facilities	
	Engineering and/or Architectural fees	
	Legal fees	
	Financial charges	
	Other (Specify)	
	TOTAL PROJECT COST	
	Less: Equity contribution, if any	
	Other sources of funding (specify)	

**TOTAL BOND FINANCING REQUESTED**

**VI. ANTICIPATED BENEFIT TO THE COMMONWEALTH**

- A. Indicate facts which would support VSBFA in determining that the project would:

1. Tend to maintain, diversify or expand employment opportunities within Virginia:

LifeSpire of Virginia is a dynamic, growing organization that offers competitive pay and benefits, including generous time off, health and dental benefits, educational opportunities, and a 403B match.

At LifeSpire employees have the security of being part of an organization founded in faith and compassion. Our residents and co-workers become like family, and employees can be proud of working in an environment where we treat each other like we want to be treated.

A portion of this financing will expand LifeSpire's footprint to the Lynchburg region opening up employment opportunities in the nursing and health care sectors along with maintenance and support staff.

2. Aid, assist and encourage economic development in Virginia:

A portion of this financing is the construction of new dwelling for residents of these communities. This new construction will require the purchase of labor and materials from other Virginia employers and bring employees and companies to these locations.

B. Employment Impact:

Indicate below the number of people presently employed at the site of the project (or current employees who will be relocating to the project site) and the number that will be employed at the site at the end of the first and second years after the project has been completed (do not include construction workers).

Present employment 1,058

Average Wage \$36,455/year

Anticipated Construction Employment 1,124

C. State other potential economic, social or non-monetary benefits which will accrue to the citizens of the Commonwealth of Virginia.

A successful financing will allow LifeSpire to continue its mission – to empower individuals with choices in purposeful living built on our values of faith, servant leadership, stewardship, integrity, peace of mind, innovation and joy. With an increasingly aging population, Virginia citizens will increasingly rely on providers like LifeSpire to help the live purposefully for their entire lives.

**VII. The following questions are for statistical purposes only and your response is purely voluntary.**

Gender of majority owner(s) male ☐ female ☐ N/A

Race White ☐ Asian ☐ Black ☐ Hawaiian or Pacific Islander ☐ Native American ☐ Other ☐

Hispanic Yes ☐ No ☐ N/A

**VIII. CERTIFICATE OF APPLICATION**

PLEASE NOTE: Eligibility for financial assistance from VSBFA is determined by the information presented in this Application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of construction or the acquisition of assets such as land or equipment.

Please contact VSBFA before taking any action which would change the status of the project as reported herein.

LifeSpire of Virginia  
Name of Applicant

By: /s/ Chris Markwith

Date: May 24, 2021

Title CFO

## AGREEMENT TO PAY VIRGINIA SMALL BUSINESS FINANCING AUTHORITY'S COSTS AND EXPENSES

To induce the Virginia Small Business Financing Authority to consider this Application and to assist Applicant in the financing of the project, Applicant, by submitting this Application to the Virginia Small Business Financing Authority, agrees:

1. To pay all costs and expenses of the Virginia Small Business Financing Authority and its counsel, financial advisors and program managers in connection with the processing, authorization, issuance and sale of the bonds contemplated by this Application; either from the proceeds of the bonds which may be approved for the project by the Virginia Small Business Financing Authority, or in the event such financing is not approved or forthcoming, or if such costs are unable to be financed in the bond issue for legal or other reasons, the Applicant agrees to pay all costs from its own resources.
2. To advise the Virginia Small Business Financing Authority in writing of any material change to the information contained in this Application.
3. To provide, after successfully closing on the bond issue, one bound or electronic copy of the complete bond issue transcript to include **all executed documents and exhibits of the bond** transaction for the Virginia Small Business Financing Authority's file **within 120 days** of the closing date.
4. **If this Application is for tax-exempt industrial revenue bond financing or taxable financing, to pay to the Virginia Small Business Financing Authority on each anniversary date of the closing of the bond issue a fee equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of the bonds. If this Application is for 501(c)(3) financing, to pay to the Authority on each anniversary date of the closing of the bond issue a fee equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of bonds, with the annual fee paid in any given year not to exceed \$250,000. Applicant must submit a statement evidencing the principal balance due under the bond with a payment for the fees on the anniversary date of the bond issue.**

**The aforementioned fees are a debt to the Commonwealth of Virginia. Failure to pay the fees when due will result in legal action and the VSBFA will exercise all rights given to it under the Set-Off Debt Collection Program as authorized under the Virginia Debt Collection Act and the account will be turned over to the Commonwealth's Office of Attorney General for collection and legal action.**

The Applicant agrees that the Virginia Small Business Financing Authority shall not be liable to the Applicant for any damages, direct or consequential, resulting from the failure of the Virginia Small Business Financing Authority to issue bonds for the Applicant's project for any reason, including, but not limited to, any decision by the Virginia Small Business Financing Authority in its sole discretion to allocate its allowable volume of bonds to other applicants.

The Applicant further represents that it understands the conditions of this Application, that there is no guarantee of approval, and that all statements and information furnished with this Application or on supporting papers are true and correct to its best knowledge and belief.

IN WITNESS WHEREOF, the undersigned, being duly authorized to do so, have/has signed this Application.

LifeSpire of Virginia  
Name of Applicant

By: /s/ Chris Markwith.

Date: May 24, 2021

Title CFO

## EXHIBIT I

### FISCAL IMPACT STATEMENT FOR PROPOSED TAX-EXEMPT BOND FINANCING (*Not Necessary for Taxable Financings*)

TO: Virginia Small Business Financing Authority

LifeSpire of Virginia  
(Name of Applicant)

Culpeper, Lynchburg and Henrico Communities  
(Facility)

May 24, 2021  
(Date)

- |     |   |                                       |
|-----|---|---------------------------------------|
| 1.  | Maximum amount of financing sought.   | \$110,000,000                         |
| 2.  | Estimated current taxable value of the facility's real property in the municipality in which it is located.   | <u>\$ N/A –is property tax exempt</u> |
| 3.  | Estimated taxable value of the facility's real property once constructed or expanded.   | <u>\$ N/A –is property tax exempt</u> |
| 4.  | Estimated real property tax per year using present tax rates on the facility's real property once constructed or expanded.  | <u>\$N/A</u>                          |
| 5.  | Estimated personal property tax per year from property to be located in expanded or constructed facility using present tax rates.   | <u>\$ N/A –is property tax exempt</u> |
| 6.  | Estimated merchants' capital tax per year from property to be located in, expanded or constructed facility using present tax rates. (This is a local tax. Check with the locality for information.)                                       | <u>\$N/A</u>                          |
| 7.  | Estimated dollar value of goods and services that will be purchased in the Commonwealth during construction or expansion of the facility.<br><br>LifeSpire estimates that it purchases goods and services totaling \$95 million annually. |                                       |
| 8.  | Estimated dollar value per year of goods and services that will be purchased in the Commonwealth for the operation of the facility.<br><br>LifeSpire estimates that it purchases goods and services totaling \$102.6 million annually.    |                                       |
| 9.  | Estimated dollar value per year of goods and services that will be produced and sold from the facility.   | <u>\$N/A</u>                          |
| 10. | Estimated number of employees during construction or expansion.   | 1,058                                 |
| 11. | Estimated number of regular employees on a year-round basis during operation.   | 1,124                                 |

If any of the above answers do not apply to the project, indicate this by writing N/A (not applicable) on the appropriate line.

**LIFESPIRE OF VIRGINIA  
VSBFA APPLICATION SUPPLEMENT**

**II. PROJECT APPLICANT**

C. List of the Board of Directors (See Attached)

Mr. R. Scott Cave, Chair  
Rev. Daniel Carlton, Vice Chair  
Mr. James Bales  
Rev. Herbert O. Browning, Jr.  
Dr. Valerie Carter Smith  
Rev. Nelson Harris  
Mr. R. Craig Hopson  
Mr. Michael E. Keck  
Mrs. Sara Marchello  
Mr. Robert L. Musick  
Mr. Samuel G. Oakey, III  
Mrs. Susan Rucker  
Mr. Matthew Scott  
Mr. Michael M. Smith  
Dr. Tiffany Franks  
Mr. J. Robert Yeaman, III

**IV. PROJECT SUMMARY**

A. Description of the Project

(1) To finance and refinance the construction of approximately 36 independent living dwellings, site work, infrastructure and connectivity improvements and other related facilities at the Applicant's community known as The Culpeper, located in and around 12425 Village Loop, Culpeper, Virginia (The Culpeper is owned and operated by Culpeper Baptist Retirement Community, Inc., which is a wholly-owned subsidiary of the Applicant), to finance various capital projects at The Culpeper in and around the existing structures and to refinance the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bonds, Series 2017A and Series 2017B, which financed and refinanced a replacement facility and related improvements at The Culpeper.

(2) To finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and connectivity improvements and other related facilities at the Applicant's community known as Lakewood, located in and around 1900 Lauderdale Drive, Henrico, Virginia (Lakewood is owned and operated by Lakewood Manor Baptist Retirement Community, Inc., which is a wholly-owned subsidiary of the Applicant) and to finance various capital projects at Lakewood in and around the existing structures.

(3) To finance and refinance the acquisition of certain existing independent living and assisted living facilities and vacant land in and around 1400 Enterprise Drive, Lynchburg, Virginia 24502 at a life plan community currently known as The Summit and to finance various capital projects at these facilities in and around the existing structures. The Applicant expects to acquire these projects through a to-be formed wholly owned subsidiary.

(4) To finance, if and as needed, amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

B. Location(s) of Proposed Project (if there is more than one, please attach a separate sheet)

The Culpeper, located in and around 12425 Village Loop, Culpeper, Virginia

Lakewood, located in and around 1900 Lauderdale Drive, Henrico, Virginia

The Summit, located in and around 1400 Enterprise Drive, Lynchburg, Virginia

3. Name, complete address, telephone number and email address of Economic or Industrial Development Director:

**Culpeper**

Phil Sheridan  
803 S. Main Street  
Culpeper, Virginia 22701  
Phone: (540) 727-3410  
Email: [PSHERIDAN@CULPEPERCOUNTY.GOV](mailto:PSHERIDAN@CULPEPERCOUNTY.GOV)  
Website: <https://www.culpeperva.org/>

**Henrico**

Anthony J. Romanello  
Executive Director  
4300 E. Parham Road  
Henrico, Virginia 23228  
Phone: (804) 501-7654  
Email: [anthony@henrico.com](mailto:anthony@henrico.com)

**Lynchburg**

Marjette Upshur  
Director  
900 Church Street  
Lynchburg, Virginia 24504  
Phone (434) 455-4490  
[Marjette.upshur@lynchburgva.gov](mailto:Marjette.upshur@lynchburgva.gov)

4. Name, complete address, and telephone number of Clerk of Local Governing Body (i.e., Council [for cities and towns] or Board of Supervisors [for counties]): (For more than one locality, please attach separate sheet.)

Name: John Egertson, County Administrator  
Address: 302 N. Main Street, Culpeper, Virginia 22701  
Telephone: (540) 727-3427

Name: Tanya Brackett Harding, Assistant to the County Manager and Clerk to the Board  
Address: P.O. Box 90775, Henrico, Virginia 23273  
Telephone: (804) 501-4206

Name: Alicia L. Finney  
Address: 900 Church Street, Lynchburg, Virginia 24504  
Telephone: (434) 455-3990

**LIFESPIRE OF VIRGINIA  
VSBFA APPLICATION SUPPLEMENT**

**V. PROJECT COSTS**

A. Costs of the Project

<b>The Summit</b>	
Land Purchase	\$3,000,000
Allocation of Purchase Price to Assisted Living	\$6,000,000
Immediate Capital Expenditures	\$1,000,000
Independent Living and Working Capital	\$15,250,000
<b>The Culpeper</b>	
Reimbursement of Culpeper Cottage Costs	\$6,000,000
Remaining Culpeper Cottage Costs	\$7,520,000
Refund Series 2017A&B Bonds	\$46,015,237
Swap Termination Payments	\$4,802,181
<b>Lakewood</b>	
Lakewood Cottage Costs	\$9,000,000
Debt Service Reserve Fund and Closing Costs	\$7,000,000
Contingency	\$4,412,582
<b>Total</b>	<b>\$110,000,000</b>

**Note: Amounts do not tie to the public hearing notice because a portion of the total project will be taxable and thus does not require a public hearing under state or federal law.**

**RESOLUTION OF THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY,  
PROVIDING INITIAL APPROVAL OF THE ISSUANCE OF UP TO \$110,000,000 OF  
REVENUE BONDS FOR THE BENEFIT OF VIRGINIA BAPTIST HOMES, INC. D/B/A  
LIFESPIRE OF VIRGINIA**

A. The Virginia Small Business Financing Authority (the "Authority"), a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") is empowered by the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds for the purpose of lending the proceeds of the sale of such bonds to eligible businesses in order to promote and develop industrial development and to further the long-term economic development of the Commonwealth through the improvement of its tax base and the promotion of employment.

B. The Authority has received a request from Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia, a nonstock, not-for-profit Virginia corporation (the "LifeSpire Borrower"), to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to provide funds to the LifeSpire Borrower and its affiliate corporations Culpeper Baptist Retirement Community, Inc., d/b/a The Culpeper (the "Culpeper Borrower"), Lakewood Manor Baptist Retirement Community, Inc. (the "Henrico Borrower"), Newport News Baptist Retirement Community, Inc., d/b/a The Chesapeake (the "Newport News Borrower"), The Glebe, Inc. (the "Daleville Borrower") and an as yet to be formed entity further described below (the "Lynchburg Borrower," and together with the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower, the Newport News Borrower and the Daleville Borrower, the "Borrowers"):

(1) to finance and refinance the construction of approximately 36 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as The Culpeper, located in and around 12425 Village Loop, Culpeper, Virginia (The Culpeper is owned and operated by the Culpeper Borrower), to finance various capital projects at The Culpeper in and around the existing structures and to refinance the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bonds, Series 2017A and Series 2017B, which financed and refinanced a replacement facility and related improvements at The Culpeper;

(2) to finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as Lakewood, located in and around 1900 Lauderdale Drive, Henrico, Virginia (Lakewood is owned and operated by the Henrico Borrower) and to finance various capital projects at Lakewood in and around the existing structures;

(3) to finance and refinance the acquisition of certain existing independent living and assisted living facilities and vacant land in and around 1400 Enterprise Drive, Lynchburg, Virginia 24502 at a life plan community currently known as The Summit (The LifeSpire Borrower expects to acquire these projects through a to-be formed wholly-owned subsidiary) and to finance various capital projects at these facilities in and around the existing structures; and

(4) to finance, if and as needed, amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds (collectively (1) through (4), the "Plan of Finance").

C. Preliminary plans for the Plan of Finance have been described to the Authority and a public hearing after public notice has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 2.2-2292 of the Act.

D. The LifeSpire Borrower has represented that the estimated cost of undertaking the Plan of Finance will require an issue of Bonds, in one or more series at one time or from time to time, in the aggregate principal amount not to exceed \$110,000,000.

E. (1) Each member of the Board of Directors of the Authority (the "Board") has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended and (2) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board have satisfied the residency requirements of the Act.

F. No member of the Board has any personal interest or business interest in the Borrowers, the Bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended in connection with this resolution or any other official action of the Authority in connection therewith.

**NOW, THEREFORE, BE IT RESOLVED BY VIRGINIA SMALL BUSINESS FINANCING AUTHORITY:**

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth, the County of Henrico, Virginia, the City of Lynchburg, Virginia, the County of Culpeper, Virginia and their citizens and in particular will promote industry, develop trade and increase employment opportunities for the benefit of the citizens of the Commonwealth.

2. The Authority hereby agrees to assist the Borrowers in undertaking the Plan of Finance by issuing the Bonds, in one or more series at one time or from time to time, in an aggregate principal amount not to exceed \$110,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrowers. The Bonds will be issued under documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the Plan of Finance, and the planning therefor, the Authority agrees that the Borrowers may proceed with the Plan of Finance, enter into contracts for land, construction, materials and equipment for the Plan of Finance, and take such other steps as it may deem appropriate in connection with the Plan of Finance, provided, however, that nothing in this resolution shall be deemed to authorize the Borrowers to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Plan of Finance. The Authority agrees that the Borrowers may be reimbursed from the

proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. The Authority hereby finds and determines that the Borrowers are each an "eligible business" within the meaning of the Act.

5. At the request of the Borrowers, the Authority approves McGuireWoods LLP, Richmond, Virginia, as Bond Counsel in connection with the issuance of the Bonds.

6. The Borrowers agree to indemnify and save harmless the Authority, its officers, directors, counsel, advisors, employees, attorneys and agents for and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Borrowers, the issuance or non-issuance of the Bonds.

7. The Authority hereby approves the Plan of Finance and recommends that the Governor of the Commonwealth of Virginia approve the Plan of Finance and the issuance of the Bonds pursuant to Section 2.2-2292 of the Act and Section 147(f) of the Code, respectively.

8. The Authority shall not be liable and hereby disclaims all liability to the Borrowers for any damages, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason. The Borrowers agree to (i) indemnify and hold the Authority harmless for any damages, direct or consequential, suffered by it as a result of any action or inaction of the Authority with respect to the issuance of the Bonds, (ii) provide for such indemnification in all documents to which the Borrowers and the Authority are parties and (iii) provide in such documents that it will forbear to bring any action for such damages as aforesaid. Nothing contained in this Section 8 shall operate as or be deemed to be a condition precedent to or a limitation on the approval of the issuance of the Bonds and the Plan of Finance for purposes of Section 147(f) of the Code.

9. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrowers or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrowers and that the Authority shall have no responsibility therefor.

10. This resolution shall be effective immediately.

11. The authorizations granted in this resolution shall continue in full force and effect for a period of two years after adoption, unless specifically extended by the Authority.

## **CERTIFICATE**

The undersigned Secretary of the Virginia Small Business Financing Authority (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on June 8, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of June 8, 2021.

---

Secretary, Virginia Small Business Financing  
Authority

**RESOLUTION OF THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY,  
AUTHORIZING THE ISSUANCE OF A REVENUE BOND IN AN AMOUNT UP TO  
\$110,000,000 FOR THE BENEFIT OF VIRGINIA BAPTIST HOMES, INC. D/B/A  
LIFESPIRE OF VIRGINIA**

A. The Virginia Small Business Financing Authority (the "Authority"), a public body corporate and political subdivision of the Commonwealth of Virginia (the "Commonwealth") is empowered by the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds for the purpose of lending the proceeds of the sale of such bonds to eligible businesses in order to promote and develop industrial development and to further the long-term economic development of the Commonwealth through the improvement of its tax base and the promotion of employment.

B. On June 8, 2021, the Authority held a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 2.2-2292 of the Act and adopted an inducement resolution at the request of Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia (the "LifeSpire Borrower") relating to the plan of finance described in (C) (the "Plan of Finance").

C. The LifeSpire Borrower and its affiliate corporations Culpeper Baptist Retirement Community, Inc., d/b/a The Culpeper (the "Culpeper Borrower"), Lakewood Manor Baptist Retirement Community, Inc. (the "Henrico Borrower"), Newport News Baptist Retirement Community, Inc., d/b/a The Chesapeake (the "Newport News Borrower"), The Glebe, Inc. (the "Daleville Borrower") and an as yet to be formed entity further described below (the "Lynchburg Borrower," and together with the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower, the Newport News Borrower and the Daleville Borrower, the "Borrowers") are seeking:

(1) to finance and refinance the construction of approximately 36 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as The Culpeper, located in and around 12425 Village Loop, Culpeper, Virginia (The Culpeper is owned and operated by the Culpeper Borrower), to finance various capital projects at The Culpeper in and around the existing structures and to refinance the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bonds, Series 2017A and Series 2017B, which financed and refinanced a replacement facility and related improvements at The Culpeper;

(2) to finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as Lakewood, located in and around 1900 Lauderdale Drive, Henrico, Virginia (Lakewood is owned and operated by the Henrico Borrower) and to finance various capital projects at Lakewood in and around the existing structures;

(3) to finance and refinance the acquisition of certain existing independent living and assisted living facilities and vacant land in and around 1400 Enterprise Drive, Lynchburg, Virginia 24502 at a life plan community currently known as The Summit (The LifeSpire Borrower expects to acquire these projects through a to-be formed wholly-owned subsidiary) and to finance various capital projects at these facilities in and around the existing structures; and

(4) to finance, if and as needed, amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds (as hereinafter defined).

D. The LifeSpire Borrower is now requesting that the Authority authorize the issuance of one or more series of its Residential Care Facilities Revenue and Refunding Bonds (LifeSpire of Virginia) (the "Bonds"), in an aggregate principal amount not to exceed \$110,000,000 to provide funds to the Borrowers to finance the Plan of Finance.

E. The Authority will issue the Bonds under one or more Bond Trust Indentures (each a "Bond Indenture"), between the Authority and a bond trustee to be selected by the LifeSpire Borrower (the "Bond Trustee").

F. The Authority will loan the proceeds of the Bonds to the Borrowers under one or more Loan Agreements (each a "Loan Agreement"), between the Authority and the Borrowers, and the Borrowers will evidence its payment obligations with respect to the Bonds by one or more promissory notes from the Borrowers to the Authority in the aggregate principal amount equal to the principal amount of the Bonds (each a "Note").

G. The Authority will assign each Note to the Bond Trustee under the related Bond Indenture.

H. The Bonds are expected to be sold to Herbert J. Sims & Co., Inc. ("HJ Sims"), or a group of underwriters managed by such firm (collectively, the "Underwriters"), under a Bond Purchase Agreement (the "Bond Purchase Agreement") dated the date of its execution and delivery among the Authority, the Borrowers and HJ Sims on behalf of itself or as a representative for the Underwriters.

I. The Bonds will be offered for sale by the Underwriters and there will be a disclosure document in the form of an official statement in preliminary form to be dated the date of its delivery (the "Preliminary Official Statement"), prepared under the direction of the Borrowers in connection with the offering and sale of the Bonds.

J. There have been filed with the records of the Authority the preliminary forms of the following instruments (the "Authority Documents"), which the Authority, if a party thereto, proposes to execute to carry out the transactions described above:

- (a) Bond Indenture, including the forms of the Bonds;
- (b) Loan Agreement;
- (c) Note, with the Authority's assignment thereof;
- (d) Bond Purchase Agreement and
- (e) Preliminary Official Statement

**NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY:**

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the County of Henrico, Virginia, the City of Lynchburg, Virginia, the County of Culpeper, Virginia, and their citizens and in particular will promote industry, develop trade and increase employment opportunities for the benefit of the citizens of the Commonwealth.

2. The issuance of the Bonds, in one or more series, for the purpose of undertaking the Plan of Finance is hereby approved.

3. The Bonds (1) shall be issued in a principal amount not to exceed \$110,000,000, (2) shall have a maximum true interest cost of not more than 7.00%, (3) shall mature no later than December 31, 2061, (4) shall be substantially in the form attached as an exhibit to the Bond Indenture and (5) shall be issued under the Bond Indenture (collectively (1) through (5), the "Bond Terms")

4. The Bonds and the Authority Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof) consistent with the Bond Terms as may be approved by the Chairman of the Authority, whose approval will be evidenced conclusively by the execution and delivery of the Bonds.

5. The Chairman is hereby authorized and directed to execute and deliver the Bonds to or for the account of the Underwriters and the Authority Documents to the other parties thereto upon approval of their final form, terms and conditions consistent with the Bond Terms. The Chairman is hereby authorized to approve the number of series, interest rates, maturities, redemption provisions, put provisions and other terms of the Bonds, consistent with the Bond Terms, with the inclusion of such terms in the Bond Indentures being conclusive evidence of such approval. The sale of the Bonds to the Underwriters under the Bond Purchase Agreement is hereby approved and authorized provided such sale shall be consistent with the Bond Terms.

6. The Chairman is hereby authorized and directed to execute and deliver the Authority Documents to which the Authority is a party, and the Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Bonds and, if required, the Authority Documents and to attest such seal. The signatures of the officers and the seal of the Authority may be by facsimile. Each officer of the Authority is hereby authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates and to do and perform such things and acts, as he or she deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Authority Documents or such instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

7. The use and distribution by the Underwriters of the Preliminary Official Statement in the form on file with the Authority are in all respects authorized, ratified and approved. For purposes of Rule 15c2-12 of the Securities and Exchange Commission, the Chairman is authorized

to deem the Preliminary Official Statement relating to the Bonds final except for information permitted to be omitted under paragraph (b)(1) of such Rule. The Chairman is authorized and directed to execute and deliver the Authority's approval of the final Official Statement (the "Official Statement") upon approval of its form, terms and conditions. Such officer's execution shall constitute conclusive evidence of his approval of such form, terms and conditions. Execution of the final Official Statement shall constitute conclusive evidence that the Official Statement has been deemed final within the meaning of Rule 15c2-12.

8. The Official Statement and its use and distribution by the Underwriters is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement submitted to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Chairman, whose execution thereof shall constitute conclusive evidence of his approval of such form, terms and conditions.

9. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrowers or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason no bond is issued, it is understood that all such expenses shall be paid by the Borrowers and that the Authority shall have no responsibility therefor.

10. The Bonds and the other Authority Documents shall provide that neither the Commonwealth of Virginia (the "Commonwealth") nor any political subdivision thereof shall be obligated to pay the obligations under the Bonds and the other Authority Documents except from the revenues, receipts and payments pledged therefor, and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of such obligations.

11. The authorizations granted in this Resolution to the Chairman and the Secretary may be carried out by the Vice Chairman or Interim, Acting, Deputy or Assistant Secretary, as appropriate, in the unavailability of the primary officer. Any authorization of an officer under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the Authority, unless expressly provided otherwise. For any authorization in this Resolution that authorizes more than officer to act, it shall be sufficient that any of the officers authorized act to bind the Authority.

12. This resolution shall be effective immediately.

## **CERTIFICATE**

The undersigned Secretary of the Virginia Small Business Financing Authority (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on June 8, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of June 8, 2021.

---

Secretary, Virginia Small Business Financing  
Authority

---

**LOAN AGREEMENT**

**between**

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

**and**

**VIRGINIA BAPTIST HOMES, INC. (D/B/A LIFESPIRE OF VIRGINIA),  
CULPEPER BAPTIST RETIREMENT COMMUNITY, INC. (D/B/A THE CULPEPER)  
LAKEWOOD MANOR BAPTIST RETIREMENT COMMUNITY, INC.,  
NEWPORT NEWS BAPTIST RETIREMENT COMMUNITY, INC. (D/B/A THE  
CHESAPEAKE)  
THE GLEBE, INC.**

**and**

---

**July 1, 2021**

---

## TABLE OF CONTENTS

### Page

#### ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1	Definitions.....	2
Section 1.2	Rules of Construction .....	4

#### ARTICLE II REPRESENTATIONS

Section 2.1	Representations by Authority .....	4
Section 2.2	Representations by the Borrowers .....	6

#### ARTICLE III FINANCING OF THE PLAN OF FINANCE

Section 3.1	Loan by the Authority .....	7
Section 3.2	Agreement To Undertake the Plan of Finance.....	7
Section 3.3	Repayment of Loan.....	8
Section 3.4	Borrowers To Provide Funds To Complete the New Money Project and To Complete the Refunding of the Series 2017 Bonds.....	8
Section 3.5	Limitation of Authority's Liability.....	8

#### ARTICLE IV PAYMENTS ON NOTE

Section 4.1	Amounts Payable .....	8
Section 4.2	Payments Assigned .....	10
Section 4.3	Default in Payments.....	10
Section 4.4	Obligations of Borrowers Unconditional.....	10
Section 4.5	Advances by Authority .....	10
Section 4.6	Agreement of Authority.....	10
Section 4.7	Rebate Requirement.....	11

#### ARTICLE V SPECIAL COVENANTS

Section 5.1	Compliance with Covenants, Conditions and Agreements in Master Indenture .....	11
Section 5.2	Merger, Sale and Transfer.....	11
Section 5.3	Examination of Books and Records; Information to the Authority .....	11
Section 5.4	Damage, Destruction, Condemnation and Loss of Title.....	11
Section 5.5	Indemnification .....	12
Section 5.6	Maintenance of 501(c)(3) Status; Prohibited Activities .....	13

Section 5.7	Tax Covenants; Compliance with Indenture.....	14
Section 5.8	Investment and Use of Trust Funds .....	14
Section 5.9	Operation of the Facilities.....	14
Section 5.10	Continuing Disclosure .....	14

## ARTICLE VI EVENTS OF DEFAULT AND REMEDIES

Section 6.1	Event of Default Defined .....	14
Section 6.2	Remedies on Default.....	15
Section 6.3	Application of Amounts Realized in Enforcement of Remedies.....	15
Section 6.4	No Remedy Exclusive.....	15
Section 6.5	Attorneys' Fees and Other Expenses.....	16
Section 6.6	No Additional Waiver Implied by One Waiver.....	16

## ARTICLE VII PREPAYMENT OF NOTE

Section 7.1	Option To Prepay Note .....	16
Section 7.2	Option to Prepay Note in Whole.....	17
Section 7.3	Option To Prepay Note in Part.....	17
Section 7.4	Amount Required for Prepayment .....	17

## ARTICLE VIII MISCELLANEOUS

Section 8.1	Term of Loan Agreement.....	18
Section 8.2	Notices .....	18
Section 8.3	Amendments to Loan Agreement and Note.....	18
Section 8.4	Successors and Assigns.....	18
Section 8.5	Severability .....	18
Section 8.6	Applicable Law; Entire Understanding .....	18
Section 8.7	Limitation of Liability of Directors of Authority .....	19
Section 8.8	Counterparts .....	19
Section 8.9	Further Assurances.....	19
Section 8.10	USA Freedom Act Requirements of the Bond Trustee .....	19
Section 8.11	Third Party Beneficiary.....	19

This **LOAN AGREEMENT** is dated as of July 1, 2021, and is between the **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (as more particularly defined below, the "Authority"), and **VIRGINIA BAPTIST HOMES, INC. (d/b/a LifeSpire of Virginia)**, a Virginia nonstock corporation, **CULPEPER BAPTIST RETIREMENT COMMUNITY, INC. (d/b/a The Culpeper)**, a Virginia nonstock corporation, **LAKEWOOD MANOR BAPTIST RETIREMENT COMMUNITY, INC.**, a Virginia nonstock corporation, **NEWPORT NEWS BAPTIST RETIREMENT COMMUNITY, INC. (d/b/a The Chesapeake)**, a Virginia nonstock corporation **THE GLEBE, INC.**, a Virginia nonstock corporation and \_\_\_\_\_, a Virginia limited liability company (collectively, the "Borrowers").

**W I T N E S S E T H:**

**WHEREAS**, the Authority is empowered by the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds for the purpose of lending the proceeds of the sale of such bonds to eligible businesses in order to promote and develop industrial development and to further the long-term economic development of the Commonwealth of Virginia through the improvement of its tax base and the promotion of employment;

**WHEREAS**, to further the purposes of the Act, the Authority has determined to issue its Residential Care Facilities Revenue and Refunding Bonds (LifeSpire of Virginia), Series 2021 (as altered, amended, modified, or supplemented, from time to time, the "Series 2021 Bonds") under a Bond Trust Indenture dated as of the date hereof (as altered, amended, modified, or supplemented, from time to time, the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee and in an aggregate principal amount of \$\_\_\_\_\_ and use the proceeds thereof to make a loan to Borrowers;

**WHEREAS**, the Borrowers will use the proceeds of the Series 2021 Bonds:

(1) to finance and refinance the construction of approximately 36 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as The Culpeper, located in and around 12425 Village Loop, Culpeper, Virginia and to finance various capital projects at The Culpeper in and around the existing structures;

(2) to refinance the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bonds, Series 2017A and Series 2017B, which financed and refinanced a replacement facility and related improvements at The Culpeper;

(3) to finance and refinance the construction of approximately 19 independent living dwellings, site work, infrastructure and connectively improvements and other related facilities at the Borrowers' community known as Lakewood, located in and around 1900 Lauderdale Drive, Henrico, Virginia and to finance various capital projects at Lakewood in and around the existing structures;

(4) to finance and refinance the acquisition of certain existing independent living and assisted living facilities and vacant land in and around 1400 Enterprise Drive, Lynchburg, Virginia

24502 at a life plan community currently known as The Summit and to finance various capital projects at these facilities in and around the existing structures; and

(5) to finance, if and as needed, amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds (collectively (1), (2), (3), (4) and (5) constitute the "Plan of Finance" and (1), (3), (4) and (5) above constitute the "New Money Project");

**WHEREAS**, the Authority proposes to loan the proceeds of the sale of the Series 2021 Bonds to the Borrowers under this Loan Agreement, and the Borrowers agrees to repay such loan on the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, the parties agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1 Definitions.** Except as set forth below or unless the context otherwise requires, all undefined capitalized terms shall have the meanings assigned to them in the Master Indenture or the Bond Indenture. The following words and terms shall have the following meanings unless the context otherwise requires:

"Act" means the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended.

"Authority" means the Virginia Small Business Financing Authority, a political subdivision of the Commonwealth of Virginia and its successor.

"Authorized Representative of the Borrowers" means the Chief Executive Officer or the Chief Financial Officer of the LifeSpire Borrower or any other person or persons designated to act on behalf of the Borrowers by certificate signed by the Chief Executive Officer or the Chief Financial Officer of the LifeSpire Borrower and filed with the Authority and the Bond Trustee.

"Bond Indenture" has the meaning assigned to it in the Recitals.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated July \_\_, 2021, among the Authority, the Borrowers and the Underwriter regarding the sale of the Series 2021 Bonds.

"Bond Trustee" means the bond trustee at the time serving as such under the Bond Indenture, whether the original or a successor trustee.

"Book Value" has the meaning assigned to it in the Master Indenture.

"Borrowers" has the meaning assigned to it in the Preamble.

"Code" means the Internal Revenue Code of 1986, as amended.

"Culpeper Borrower" means Culpeper Baptist Retirement Community, Inc., d/b/a The Culpeper, a Virginia nonstock corporation.

"Debt Service Reserve Fund Requirement" has the meaning assigned to it in Supplemental Indenture for Obligation No. 11.

"Disclosure Dissemination Agent Agreement" means the Disclosure Dissemination Agent Agreement dated as of July 1, 2021, between the Borrowers and Digital Assurance Certification, L.L.C., as dissemination agent.

"Event of Default" means the occurrence of any of the events listed in Section 6.1(a).

"Facilities" has meaning assigned to it in Master Indenture.

"Financial Statements" has meaning assigned to it in Master Indenture.

"Financing Instruments" means the Master Indenture, the Bond Indenture, the Note, the Deed of Trust, the Disclosure Dissemination Agent Agreement, the Tax Agreement, the Bond Purchase Agreement, and this Loan Agreement.

"Henrico Borrower" means Lakewood Manor Baptist Retirement Community, Inc., a Virginia nonstock corporation.

"LifeSpire Borrower" means Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia, a Virginia nonstock corporation.

"Loan" means the loan to the Borrowers under this Loan Agreement.

"Lynchburg Borrower" means \_\_\_\_\_, a Virginia limited liability company.

"Master Indenture" has the meaning assigned to it in the Bond Indenture.

"Master Trustee" means the master trustee at the time serving as such under the Master Indenture, whether the original or a successor trustee.

"Mortgaged Property" has the meaning assigned to it in the Master Indenture.

"Net Insurance Proceeds" means the gross proceeds from any insurance recovery or condemnation award remaining after payment of reasonable attorneys' fees, reasonable fees and expenses of the Bond Trustee and all other reasonable expenses incurred in the collection of such gross proceeds.

"New Money Project" has the meaning assigned to it in the Recitals.

"Newport News Borrower" means Newport News Baptist Retirement Community, Inc., d/b/a The Chesapeake, a Virginia nonstock corporation.

"Note" means the promissory note of the Borrowers in the aggregate principal amount of the Series 2021 Bonds, dated the date hereof, issued as Obligation No. 11 under the Master

Indenture, secured by the Deed of Trust and delivered to the Authority to evidence the Borrowers' obligations hereunder, as altered, amended, modified, or supplemented, from time to time.

"Officer's Certificate" has the meaning assigned to it in the Master Indenture.

"Outstanding" has the meaning assigned to it in the Bond Indenture.

"Permitted Liens" has the meaning assigned to it in the Master Indenture.

"Person" has the meaning assigned to it in the Master Indenture.

"Plan of Finance" has the meaning assigned to it in the Recitals.

"Prime Rate" means the rate per year announced from time to time by the Bond Trustee, as its prime rate, with any change in the Prime Rate being effective as of the date such announced prime rate is changed.

"Reserve Fund No. 1" has the meaning assigned to it in the Supplemental Indenture for Obligation No. 11.

"Series 2017A Bond" means the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bond, Series 2017A.

"Series 2017B Bond" means the Economic Development Authority of the County of Culpeper, Virginia's Residential Care Facilities Revenue Bond, Series 2017B.

"Series 2021 Bonds" means the Authority's Residential Care Facilities Revenue and Refunding Bonds (LifeSpire of Virginia), Series 2021, issued under the Bond Indenture.

"Supplemental Indenture for Obligation No. 11" means the Supplemental Indenture for Obligation No. 11 dated as of July 1, 2021, among the Borrowers and the Master Trustee, supplementing the Master Indenture.

"Tax Agreement" means the Tax Certificate dated July \_\_, 2021, between the Borrower and the Authority, as altered, amended, modified, or supplemented, from time to time.

"Underwriter" means Herbert J. Sims & Co., Inc., as underwriter for the Series 2021 Bonds.

**Section 1.2      Rules of Construction.** The following rules shall apply to the construction of this Loan Agreement unless the context otherwise requires:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of Series 2021 Bonds shall not be deemed to refer to or connote the payment of Series 2021 Bonds at their stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Loan Agreement unless otherwise indicated.

(d) The headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Loan Agreement nor shall they affect its meaning, construction or effect.

## ARTICLE II

### REPRESENTATIONS

**Section 2.1**      **Representations by Authority.** The Authority makes the following representations:

(a) The Authority is duly organized under the Act and has the power to (1) enter into this Loan Agreement and the Bond Indenture, (2) assign the Note to the Bond Trustee, (3) issue the Series 2021 Bonds to refund the Series 2017A Bond and the Series 2017B Bond and to finance costs to be incurred in connection with the New Money Project and (4) carry out its other obligations in connection therewith under this Loan Agreement. The facilities to be financed and refinanced with the proceeds of the Series 2021 Bonds constitute facilities authorized to be financed under the Act and in furtherance of the purposes for which the Authority was organized.

(b) The Authority (1) has duly authorized (i) the execution and delivery of the Bond Indenture, this Loan Agreement, the assignment of the Note, (ii) the performance of its obligations hereunder and thereunder, (iii) the issuance of the Series 2021 Bonds and (iv) the sale of the Series 2021 Bonds, and (2) simultaneously with the execution and delivery of this Loan Agreement, has duly executed and delivered the Bond Indenture and issued and sold the Series 2021 Bonds.

(c) The Authority is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred and no event has occurred and is continuing under the provisions of any such instrument that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(d) The Authority is not (1) in violation of the Act or any other existing federal or Virginia law, rule or regulation applicable to it or (2) in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which any of its assets are subject. The execution and delivery by the Authority of the Bond Indenture, this Loan Agreement, the Series 2021 Bonds and the assignment of the Note and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the above described documents or other restrictions.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (1) the issuance and delivery of the Series 2021 Bonds by the Authority, (2) the execution or delivery of or compliance by the Authority with the terms and conditions of this Loan Agreement, the Bond Indenture or the Series

2021 Bonds or (3) the assignment and pledge by the Authority under the Bond Indenture of its rights under this Loan Agreement and the Note and the payments thereon by the Borrowers, as security for payment of the principal of and premium, if any, and interest on the Series 2021 Bonds. The consummation by the Authority of the transactions set forth in the manner and under the terms and conditions as provided herein complies with all state, local or federal laws and any rules and regulations promulgated thereunder.

(f) Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the issuance of the Series 2021 Bonds shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from the payments received hereunder and under the Note and the security therefor. Neither the Financing Instruments nor any payments to be received by the Authority under the Note have been pledged or mortgaged other than as provided in the Bond Indenture.

(g) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to its knowledge, threatened against the Authority with respect to (1) the organization and existence of the Authority, (2) its authority to execute or deliver this Loan Agreement, the Bond Indenture, the Series 2021 Bonds or the assignment of the Note, to refund the Series 2017A Bond and the Series 2017B Bond, to sell the Series 2021 Bonds to the Underwriter under the Bond Purchase Agreement or to finance the Plan of Finance, (3) the validity or enforceability of any of such instruments or the transactions contemplated hereby or thereby, (4) the title of any officer of the Authority who executed such instruments, or (5) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended and all are in full force and effect.

(h) The Authority hereby finds that the refunding of the Series 2017A Bond and the Series 2017B Bond and the financing of the New Money Project, are advisable and in furtherance of the purposes for which the Authority was organized and will serve the purposes of the Act.

**Section 2.2      Representations by the Borrowers.** The Borrowers make the following representations:

(a) Each of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower and the Newport News Borrower is a Virginia nonstock corporation, validly existing and in good standing under the laws of the Commonwealth of Virginia, has the power to enter into the Financing Instruments to which it is a party and the transactions contemplated thereunder and, by proper corporate action, has duly authorized the execution and delivery of the Financing Instruments and the performance of its obligations thereunder. The Lynchburg Borrower is a Virginia limited liability company, validly existing under the laws of the Commonwealth of Virginia, has the power to enter into the Financing Instruments to which it is a party and the transactions contemplated thereunder and, by proper corporate action, has duly authorized the execution and delivery of the Financing Instruments and the performance of its obligations thereunder.

(b) Each of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower and the Newport News Borrower is an organization described in Section 501(c)(3) of the Code, each of which has received a determination letter from the Internal Revenue Service classifying it as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and (b) which is not a "private foundation" as defined in Section 509(a) of the Code. Such determination letter has not been modified, limited, revoked or suspended. None of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower has received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under Section 501(c)(3) of the Code has been modified, limited, revoked, or superseded, or that the Internal Revenue Service is considering modifying, limiting, revoking or superseding such exemption. Each of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower and the Newport News Borrower is in compliance with all of the terms, conditions and limitations, if any, contained in its applicable determination letter. There has been no change in the facts and circumstances represented to the Internal Revenue Service as a basis for receiving, and which formed the basis on which the Internal Revenue Service issued, the determination letter relating to the status of any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower as an organization described in Section 501(c)(3) of the Code and as an organization which is not a "private foundation" as defined in Section 509 of the Code of a nature or to a degree as would warrant any action by the Internal Revenue Service to modify, limit, revoke or supersede such determination letter as it applies to any Borrower. No administrative or judicial proceedings are pending or threatened which may, in any way, adversely affect the classification of any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code and (b) which is not a "private foundation" as defined in Section 509 of the Code. None of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower has received a notice or communication of any kind from the Internal Revenue Service directly or indirectly questioning its status described in the first sentence of this subsection or the tax-exempt status of any bonds issued on its behalf, or indicating that any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower or any such bonds specifically are being or will be audited with respect to such status. Each of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower and the Newport News Borrower is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, within the meaning of the Securities Act of 1933, as amended, and no part of the net earnings of any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower inures to the benefit of any person, private stockholder or individual, within the meaning of Section 3(a)(4) of the Securities Act of 1933, as amended.

(c) The LifeSpire Borrower is the sole member of the Lynchburg Borrower. The Lynchburg Borrower is disregarded for federal income tax purposes.

(d) No Borrower is in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing

under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving any Borrower pending or, to the knowledge of any Borrower, threatened in which any liability of any Borrower is not adequately covered by insurance or for which adequate reserves are not provided or for which any judgment or order would have a material adverse effect upon the business or assets of any Borrower or affect their existence or authority to do business, the operation of the Facilities, the Plan of Finance, the validity of the Financing Instruments or the performance of any Borrower's obligations thereunder.

(f) The execution and delivery of the Financing Instruments, the performance by any Borrower of its obligations thereunder and the consummation of the transactions therein contemplated do not and will not conflict with, or constitute a breach or result in a violation of, articles of incorporation or bylaws of any Borrower, any agreement or other instrument to which any Borrower is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over any Borrower or its property.

(g) The Borrowers have obtained all consents, approvals, authorizations and orders of any governmental or regulatory authority ("Consents") that are required to be obtained by the Borrowers as a condition precedent to the issuance of the Series 2021 Bonds and the execution and delivery of the Financing Instruments. The Borrowers have obtained all Consents obtainable to date for the performance by the Borrowers of their obligations hereunder and thereunder, or required as of the date hereof for the acquisition, construction, renovation and equipping of the New Money Project and the operation of the Facilities. The Borrowers will obtain when needed all other Consents required for the performance of its obligations under the Financing Instruments, and for the operation of the Facilities and the undertaking of the New Money Project and has no reason to believe that all such Consents cannot be promptly obtained when needed.

### ARTICLE III

#### FINANCING OF THE PLAN OF FINANCE

**Section 3.1**     **Loan by the Authority.** Upon the terms and conditions of this Loan Agreement and the Bond Indenture, the Authority shall lend to the Borrowers the proceeds of the sale of the Series 2021 Bonds. The Loan shall be made by depositing proceeds of such sale in accordance with Section 206 of the Bond Indenture. The Loan shall be disbursed to the Borrowers as provided in Article V of the Bond Indenture.

**Section 3.2**     **Agreement To Undertake the Plan of Finance.** (a) The Borrowers shall use a portion of the proceeds of the Loan to undertake the Plan of Finance.

(b) If requested by the Bond Trustee after an Event of Default hereunder, the Borrowers shall assign to the Authority or the Master Trustee any contract relating to construction of the New Money Project.

(c) The Borrowers shall, in carrying out such obligations:

(1) obtain all licenses, permits and consents required for the construction and operation of the New Money Project, including all required certificates of public need, if any, for the New Money Project, and

(2) bring any action or proceeding against any person with respect to the New Money Project as the Borrowers shall deem proper.

(d) Other than the making of the Loan under this Loan Agreement, no contract with respect to the New Money Project shall obligate the Authority in any way.

**Section 3.3      Repayment of Loan.** Prior to or simultaneously with the issuance of the Series 2021 Bonds, to evidence its obligations to repay the Loan, the Borrowers shall deliver the Note to the Authority for assignment to the Bond Trustee as security for the payment of the Series 2021 Bonds.

**Section 3.4      Borrowers To Provide Funds To Complete the New Money Project and To Complete the Refunding of the Series 2017 Bonds.** If the proceeds derived from the Loan are not sufficient to pay in full the costs of the Plan of Finance, the Borrowers shall pay such moneys as are necessary to provide for payment in full of such costs of the Plan of Finance, provided that, if all proceeds of the Series 2021 Bonds available therefor have been spent on the Plan of Finance, the Borrowers shall not be obligated hereunder to undertake additional costs if (a) such expenditures are not related to a portion of the New Money Project expected to have a material effect on the revenues of the Borrowers or (b) such expenditures are not required to comply with the covenants of Section 5.5. The Borrowers shall not be entitled to any reimbursement therefor from the Authority or the Bond Trustee nor shall it be entitled to any abatement, diminution or postponement of its payments hereunder or under the Note. Notwithstanding the foregoing, subject to its obligations under Section 5.7, the Borrowers may alter the New Money Project or suspend the acquisition, construction, renovation or equipping of any part of the New Money Project.

**Section 3.5      Limitation of Authority's Liability.** Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the financing of the Plan of Finance shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from the revenues and receipts derived by it from or in connection with this Loan Agreement, including payments received under the Note.

## **ARTICLE IV**

### **PAYMENTS ON NOTE**

**Section 4.1      Amounts Payable.** (a) The Borrowers shall make all payments required by the Note, the Bond Indenture and the Master Indenture as and when they become due and shall promptly pay all other amounts necessary to enable the Bond Trustee to make the transfers required by Article VI of the Bond Indenture and all other payments required of the Authority under the Bond Indenture. On or before the tenth day of each month, the Borrowers shall transfer to the Bond Trustee, for use under Section 602 of the Bond Indenture, the amount necessary to permit the Bond Trustee to provide in all funds held by the Bond Trustee the full amounts required by

Section 602. The Borrowers immediately shall pay to the Bond Trustee any amounts necessary (i) under the Bond Indenture to provide for payment of principal and interest on the Series 2021 Bonds when due at maturity or subject to mandatory sinking fund redemption and (ii) under the Master Indenture to provide the full amount of Debt Service Reserve Fund Requirement in Reserve Fund No. 1 if such fund does not contain the full amount of the Debt Service Reserve Fund Requirement.

(b) The Borrowers shall also pay or cause to be paid, as and when the same become due:

(1) To the Authority (i) its reasonable expenses, including the reasonable fees of its counsel, directly related to the Series 2021 Bonds, (ii) a reasonable share of the cost of any audit of the funds of the Authority directly related to the Series 2021 Bonds, and (iii) on each anniversary date of the issuance of the Series 2021 Bonds until the Series 2021 Bonds are retired, an annual fee equal the lesser of 0.001 times the outstanding principal amount of the Series 2021 Bonds and \$125,000, subject to and in accordance with applicable law and the requirements of the Authority (provided, however, that such amounts, together with any other amounts paid to the Authority, shall not equal or exceed an amount which would cause the "yield" on the Note, this Agreement or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2021 Bonds, as such terms are defined in the Code). The obligations of the Borrowers under clauses (i) and (ii) of this subsection shall survive the retirement of the Series 2021 Bonds.

(2) An amount equal to (a) the fees and charges of the Bond Trustee incurred in connection with the rendering of its ordinary and extraordinary services as Bond Trustee under the Bond Indenture, including the reasonable fees and expenses of its counsel, (b) the fees and expenses of the rating agencies, if any, for issuing and maintaining their securities rating on the Series 2021 Bonds, and (c) the out-of-pocket expenses, administrative expenses and counsel fees of the Authority. The Borrowers may, without constituting grounds for an Event of Default hereunder, withhold payment of any such fees and charges of the Bond Trustee, to contest in good faith the necessity for any extraordinary services of the Bond Trustee and the reasonableness of any extraordinary expenses of the Bond Trustee. If the Borrowers should fail to make any of the payments required in this Section, the item or installment which the Borrowers has failed to make shall continue as an obligation of the Borrowers until the same shall have been fully paid, with interest thereon at the rate per annum borne by the Series 2021 Bonds until paid in full (provided that any amounts in this Section required to be paid by the Borrowers shall not equal or exceed an amount that would cause the "yield" on the Note or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2021 Bonds, as such terms are defined under Section 148 of the Code).

(3) Amounts described in Section 4.7.

(4) All other amounts that the Borrowers agrees to pay under the terms of this Loan Agreement.

**Section 4.2      Payments Assigned.** The Borrowers consent to the assignment made by the Bond Indenture of the Note and of rights of the Authority under this Loan Agreement to the Bond Trustee. The Borrowers shall pay to the Bond Trustee all amounts payable by the Borrowers under the Note and this Loan Agreement, except for payments made to the Authority under Sections 4.1(b)(2) and 5.5.

**Section 4.3      Default in Payments.** If the Borrowers fail to make any payments required by the Note or this Loan Agreement when due, the Borrowers shall pay to the Bond Trustee (or the Authority, if the failure relates to payments owed to the Authority) interest thereon until paid at the rate equal to the highest rate on any Series 2021 Bonds then Outstanding or, in case of the payment of any amounts not to be used to pay principal of or interest on Series 2021 Bonds at the rate equal to the Prime Rate plus one percent per year.

**Section 4.4      Obligations of Borrowers Unconditional.** The obligation of the Borrowers to make the payments on the Note and to observe and perform all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim it might otherwise have against the Authority or the Bond Trustee. Subject to the prepayment of the Note as provided therein, the Borrowers shall not suspend or discontinue any payment on the Note or hereunder or fail to observe and perform any of its other covenants, conditions or agreements hereunder for any cause, including without limitation, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title to any part or all of the Facilities or commercial frustration of purpose, or any damage to or destruction or condemnation of all or any part of the Facilities, or any change in the tax or other laws of the United States of America, Commonwealth of Virginia or any political subdivision of either, or any failure of the Authority or the Bond Trustee to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Bond Indenture or this Loan Agreement. The Borrowers may, after giving to the Authority and the Bond Trustee ten days' notice of its intention to do so, at their own expense and in their own name, or in the name of the Authority if procedurally required, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrowers reasonably deem necessary to secure or protect any of its rights hereunder. In the event the Borrowers takes any such action, the Authority shall, solely at the Borrowers' expense, reasonably cooperate with the Borrowers and take necessary action to substitute the Borrowers for the Authority in such action or proceeding if the Borrowers shall reasonably request.

**Section 4.5      Advances by Authority.** If the Borrowers fails to make any payment or perform any act required of it hereunder, the Authority, without prior notice or demand on the Borrowers and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrowers on demand as an additional obligation under the Note, together with interest thereon at the Prime Rate plus one percent per year until paid.

**Section 4.6      Agreement of Authority.** At the request of the Borrowers, the Authority shall (a) at any time moneys held under the Bond Indenture are sufficient to effect redemption of any Series 2021 Bonds and if the same are then redeemable under the Bond Indenture, take all

steps that may be necessary to effect redemption thereunder and (b) take any other action required by the Bond Indenture or as directed by the Borrowers under the provisions of the Bond Indenture or this Loan Agreement.

**Section 4.7      Rebate Requirement.** (a) Except with respect to earnings on funds covered by the exceptions provided by Section 148(f)(4)(B) of the Code, at its sole expense on behalf of the Authority, the Borrowers shall determine and pay to the United States the rebate amount, as provided in the Tax Agreement, as and when due in accordance with the "rebate requirement" described in Section 148(f) of the Code and Treasury Regulations thereunder, including without limitation, Treasury Regulations Section 1.148. The Borrowers shall retain records of all such determinations until six years after all of the Series 2021 Bonds have been retired.

(b) The Authority shall not be liable to the Borrowers by way of contribution, indemnification, counterclaim, set-off or otherwise for any payment made or expense incurred by the Borrowers under this section or the Bond Indenture.

## ARTICLE V

### SPECIAL COVENANTS

**Section 5.1      Compliance with Covenants, Conditions and Agreements in Master Indenture.** So long as the Series 2021 Bonds are Outstanding, the Borrowers shall comply with, and with respect to the other members of the Obligated Group (as defined in the Master Indenture), covenant to cause each such member to comply with, each and every covenant, condition and agreement in the Master Indenture. Each such covenant, condition and agreement in the Master Indenture is hereby incorporated by reference and made a part of this Loan Agreement with the same effect intended as though the text of each such covenant, condition and agreement were set forth in this Loan Agreement as express covenants, conditions and agreements of the Borrowers.

**Section 5.2      Merger, Sale and Transfer.** Except as provided in Section 3.09 of the Master Indenture, the Borrowers shall not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or to merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets and thereafter dissolve.

**Section 5.3      Examination of Books and Records; Information to the Authority.** The Bond Trustee and the Authority shall be permitted, during normal business hours and upon reasonable notice, to examine the books and records (other than confidential resident records) of the Borrowers with respect to the Borrowers' financial standing or its compliance with its obligations hereunder and under the Master Indenture.

**Section 5.4      Damage, Destruction, Condemnation and Loss of Title.** (a) The Borrowers shall give prompt notice to the Bond Trustee and the Authority of (1) any material damage to or destruction of any part of the Facilities, (2) a taking of all or any part of the Facilities or any right therein under the exercise of the power of eminent domain, (3) any loss of any part of the Facilities because of failure of title thereto, or (4) the commencement of any proceedings or

negotiations that might result in such a taking or loss. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

(b) The Borrowers shall apply any Net Insurance Proceeds consistent with the provisions of Section 3.04 of the Master Indenture. The Borrowers shall simultaneously provide to the Bond Trustee the Officer's Certificates and consultant reports required to be delivered to the Master Trustee under Section 3.04 of the Master Indenture.

The Borrowers shall not by reason of the payment of the cost of replacement, repair, rebuilding or restoration be entitled to any reimbursement from the Authority or the Bond Trustee or to any abatement or diminution of the amount payable under the Note. All real and personal property acquired with Net Insurance Proceeds derived from Mortgaged Property shall be free and clear of all liens and encumbrances of any kind except Permitted Liens and become part of the Mortgaged Property and the Borrowers shall take all steps necessary to subject such property to the lien and security interest of the Deed of Trust and to obtain an amendment to the mortgagee title policy required by the Master Indenture to insure title to all such real property acquired. Prepayments of the Note shall be used to redeem Bonds under Section 301 of the Bond Indenture.

**Section 5.5      Indemnification.** (a) The Borrowers shall at all times protect, indemnify and save harmless the Authority and the Bond Trustee (together, the "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (hereinafter referred to as "Damages"), including without limitation (1) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the Borrowers, (2) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Borrowers, the Facilities or the Indemnitees, (3) any judgments, penalties, fines, damages, assessments, indemnities or contributions, and (4) the reasonable fees of attorneys, auditors, and consultants, provided that the Damages arise out of:

(1) failure by the Borrowers or its officers, employees or agents, to comply with the terms of the Financing Instruments or the Bond Indenture, and any agreements, covenants, obligations, or prohibitions set forth therein;

(2) any action, suit, claim or demand contesting or affecting the title of the Facilities;

(3) any breach of any representation or warranty set forth in the Financing Instruments or the Bond Indenture or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Borrowers contains or contained any untrue or misleading statement of fact or omits or omitted to state any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(4) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the

construction, acquisition, ownership, operation, occupation or use of the Facilities or the New Money Project;

(5) any suit, action, administrative proceeding, audit, enforcement action, or governmental or private action of any kind whatsoever commenced against any Borrower, the Facilities, the New Money Project or the Indemnitees that might adversely affect the validity, enforceability or tax-exempt status of the Series 2021 Bonds, the Financing Instruments or the Bond Indenture, or the performance by the Borrowers or any Indemnatee of any of their respective obligations thereunder; or

(6) the acceptance or administration of this Loan Agreement, the Bond Indenture, the Master Indenture or any related documents to which the Bond Trustee or the Authority are a party;

provided that such indemnity shall be effective only to the extent of any loss that may be sustained by the Indemnitees in excess of the proceeds net of any expenses of collection, received by them or from any insurance carried with respect to such loss and provided further that the benefits of this section shall not inure to any person other than the Indemnitees.

(b) If any action, suit or proceeding is brought against the Indemnitees for any loss or damage for which any Borrower is required to provide indemnification under this section, the Borrowers, upon request, shall at their expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Borrowers and approved by the Indemnitees, which approval shall not be unreasonably withheld, provided that such approval shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense pursuant to any applicable policy of insurance. The obligations of the Borrowers under this section shall survive any termination of this Loan Agreement, including prepayment of the Note and the resignation or removal of the Bond Trustee.

(c) Nothing contained herein shall require the Borrowers to indemnify the Authority for any claim or liability resulting from the Authority's willful wrongful acts or the Bond Trustee for any claim or liability resulting from the Bond Trustee's gross negligence (under the standard of care set forth in Article X of the Bond Indenture) or the Bond Trustee's willful, wrongful acts.

(d) All references in this section to the Authority and the Bond Trustee, including references to Indemnitees, shall include their directors, commissioners, officers, employees and agents.

**Section 5.6      Maintenance of 501(c)(3) Status; Prohibited Activities.** Each of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower and the Newport News Borrower shall file all required reports and documents with the Internal Revenue Service so as to maintain its status as an organization described in Section 501(c)(3) of the Code, and the Borrowers shall not operate the Facilities, including the New Money Project and the facilities financed or refinanced with the proceeds of the Series 2017A Bonds and the Series 2017B Bonds, in any manner and shall not engage in any activities or take any action that might reasonably be expected to result in any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the

Newport News Borrower ceasing to be a "501(c)(3) organization" within the meaning of Section 145 of the Code. The Borrowers shall promptly notify the Bond Trustee and the Authority of any loss of the status of any of the LifeSpire Borrower, the Culpeper Borrower, the Henrico Borrower or the Newport News Borrower as a "501(c)(3) organization" or of any investigation, proceeding or ruling that might result in such loss of status.

**Section 5.7      Tax Covenants; Compliance with Indenture.** The Borrowers agree that they will not directly or indirectly use or permit the use of any of the proceeds of the Series 2021 Bonds or any other of its funds, or direct the Bond Trustee to invest any funds held by the Bond Trustee under the Bond Indenture or this Agreement, in such manner as would, or enter into, or allow any other Person to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause any Series 2021 Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Borrowers acknowledge having read the Bond Indenture and agree to perform all duties imposed upon them by the Bond Indenture and by the Tax Agreement. Insofar as the Bond Indenture and the Tax Agreement impose duties and responsibilities on the Borrowers, they are specifically incorporated by reference into this Agreement.

**Section 5.8      Investment and Use of Trust Funds.** An Authorized Representative of the Borrowers shall provide instructions for the investment, in accordance with Article VII of the Bond Indenture, of all funds held by the Bond Trustee under the Bond Indenture.

**Section 5.9      Operation of the Facilities.** The Borrowers will operate the Facilities, or cause such Facilities to be operated, as facilities for the residence and care of the aged until payment of the Note in full.

**Section 5.10      Continuing Disclosure.** Each Borrower covenants and agrees to comply with the continuing disclosure requirements under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), as they may from time to time hereafter be amended or supplemented, and to incur all costs associated with such continuing disclosure requirements to the extent the Series 2021 Bonds are subject to the Rule, however, failure to comply with such requirements shall not constitute an Event of Default hereunder or any other Financing Documents. The Borrowers' continuing disclosure obligations are further set out in the Disclosure Dissemination Agent Agreement.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

**Section 6.1      Event of Default Defined.** Each of the following events shall be an Event of Default:

(a) Failure of the Borrowers to make any payment on the Note when the same becomes due and payable, whether at maturity, redemption, acceleration or otherwise under the terms thereof or this Loan Agreement.

(b) Failure of the Borrowers, or any of them, to observe or perform any other covenant, condition or agreement hereunder, including covenants applicable to other Members of

the Obligated Group under Section 5.1, for a period of 30 days after notice in writing (unless the Borrowers and the Bond Trustee shall agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, given by the Authority or the Bond Trustee to the Borrowers, or in the case of any default which can be cured, but cannot with due diligence be cured within such 30 day period, failure by the Borrowers to proceed promptly to prosecute the curing of the same with due diligence and to cure such within 90 days.

(c) An Event of Default under the Master Indenture, the Deed of Trust or the Bond Indenture.

(d) The Master Trustee shall have declared the aggregate principal amount of any Obligation (as defined in the Master Indenture) issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with Section 4.02(a) of the Master Indenture.

**Section 6.2 Remedies on Default.** Whenever an Event of Default shall have happened and be continuing, the Bond Trustee, as the assignee of the Authority, but subject to the provisions of the Bond Indenture, or the Authority (in the case of the Authority's Unassigned Rights (as defined in the Bond Indenture) in the event the Bond Trustee fails to act under this section) may:

(a) Declare all amounts due under this Loan Agreement and the Note to be immediately due and payable, whereupon all such payments shall become and shall be immediately due and payable; and

(b) Take any action at law or in equity necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the Borrowers under the Note or this Loan Agreement.

Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the Note to be immediately due and payable except in accordance with the provisions of the Master Indenture or at the direction of the Master Trustee in the event the Master Trustee shall have declared the aggregate principal amount of the Notes issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with the Master Indenture.

If the Bond Trustee exercises any of its rights or remedies under this section, it shall give notice of such exercise to the Borrowers (1) in writing in the manner provided in Section 8.2 and (2) by telephone or telegram, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this section.

**Section 6.3 Application of Amounts Realized in Enforcement of Remedies.** Any amounts collected under action taken under Section 6.2 hereof shall be applied in accordance with the provisions of Section 905 of the Bond Indenture or, if payment of the Series 2021 Bonds shall have been made, shall be applied according to the provisions of Section 609 of the Bond Indenture.

**Section 6.4      No Remedy Exclusive.** No remedy herein conferred on or reserved to the Authority or the Bond Trustee or the holder of the Note is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

**Section 6.5      Attorneys' Fees and Other Expenses.** Upon an Event of Default, the Borrowers shall on demand pay to the Authority and the Bond Trustee the reasonable fees and expenses of attorneys and other reasonable expenses incurred by them in the collection of payments due on the Note or the enforcement of performance of any other obligations of the Borrowers.

**Section 6.6      No Additional Waiver Implied by One Waiver.** If either party or its assignee waives a default by the other party under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other default hereunder.

## ARTICLE VII

### PREPAYMENT OF NOTE

**Section 7.1      Option To Prepay Note.** The Borrowers shall have the option to prepay the Note in full and terminate this Agreement if one of the following has occurred:

(a)      Damage or destruction of all or a portion of the Mortgaged Property by fire or other casualty to such extent that, or loss of title to or use of substantially all of one or more of the specific facilities that comprise the Mortgaged Property as a result of the exercise of the power of eminent domain or failure of title to the extent that, in the opinion of both the LifeSpire Borrower's Board of Trustees (expressed in a resolution) and an independent architect or engineer, both filed with the Bond Trustee, (1) the applicable portion of the Mortgaged Property cannot be reasonably repaired, rebuilt or restored within a period of 12 months to their condition immediately preceding such damage or destruction, or (2) the Borrowers are prevented from carrying on their normal operations at the applicable portion of the Mortgaged Property for a period of 12 months, or (3) the cost of repairs, rebuilding or restoration would exceed, by more than one percent of Book Value, the Net Insurance Proceeds of insurance (including self-insurance) plus the amounts for which the Borrowers are self-insured with respect to deductible amounts.

(b)      A change in the Constitution of Virginia or of the United States of America or a legislative or administrative action (whether local, state or federal) or a final decree, judgment or order of any court or administrative body (whether local, state or federal) contested by the Borrowers in good faith which causes this Agreement or the Note to become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed herein or unreasonable burdens or excessive liabilities to be imposed on the Authority or the Borrowers.

(c) The Borrowers shall have the option to prepay the Note in part without premium following loss of title to or use of a portion of the Mortgaged Property as a result of the exercise of the power of eminent domain or failure of title, or damage to or destruction of the Mortgaged Property if the Borrowers shall have furnished to the Bond Trustee:

(1) an Officer's Certificate certifying that the projected Obligated Group Long-Term Debt Service Coverage Ratio for each of the next two full Fiscal Years is not less than 1.30, as shown by projected financial statements for such period, accompanied by a statement of the relevant assumptions upon which such projected financial statements are based; or

(2) a written forecast, projection or other report of a Consultant (as defined in the Master Indenture) to the effect that, for each of the next two full Fiscal Years, the projected Obligated Group Long-Term Debt Service Coverage Ratio is not less than 1.20.

The principal amount of the Note that may be prepaid in part may not exceed the principal amount of the Series 2021 Bonds permitted to be redeemed as determined in accordance with Section 301(a) of the Bond Indenture.

(d) To exercise any of the above options, the Borrowers shall within 120 days after the event permitting their exercise file the required resolutions and opinions with the Authority and the Bond Trustee and specify a date not more than 60 days thereafter for making such prepayment. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301(a) of the Bond Indenture.

**Section 7.2      Option to Prepay Note in Whole.** The Borrowers shall have the option to prepay the Note in whole, with any applicable premium, and terminate this Loan Agreement before payment of the Series 2021 Bonds so long as any such payment allocable to principal of the Note shall be used contemporaneously to discharge a like amount of Series 2021 Bonds; provided, however, that the covenants in Sections 4.7, 5.5, 5.6 and 5.7 shall continue until the final maturity date of all Series 2021 Bonds or the earlier date on which provision for payment for all Series 2021 Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301 of the Bond Indenture.

**Section 7.3      Option To Prepay Note in Part.** The Borrowers shall have the option to prepay the Note in part, with any applicable premium, so long as any such payment allocable to principal of the Note shall be used contemporaneously to discharge a like amount of Series 2021 Bonds. The amount so prepaid shall, so long as all payments then due under the Note have been made (a) if Series 2021 Bonds are then redeemable as provided in Section 301 of the Bond Indenture, be used to redeem Series 2021 Bonds to the extent possible under such section, and (b) if Series 2021 Bonds are not then redeemable, be transferred to the Bond Fund (as defined in the Bond Indenture).

**Section 7.4      Amount Required for Prepayment.** To prepay the Note in whole or in part under Sections 5.4, 7.1, 7.2 or 7.3, the Borrowers shall pay to the Bond Trustee, for deposit in

the Bond Fund of the Bond Indenture, an amount of cash and Defeasance Obligations (as defined in the Bond Indenture), that will be sufficient (1) in the case of prepayment in whole, to discharge the lien of the Bond Indenture under Section 801 thereof, and (2) in the case of prepayment in part, to cause any Series 2021 Bonds that will be paid with the prepayment to be no longer Outstanding under the Bond Indenture. If the Borrowers have prepaid the Note, as provided above, the Borrowers shall not direct the expenditure of any funds from such prepayment in the Bond Fund (as defined in the Bond Indenture) for any purpose other than the payment of principal of or premium, if any, or interest on the Series 2021 Bonds to be paid. The Borrowers shall instruct the Bond Trustee to give the notice of redemption required by Section 302 of the Bond Indenture if any of the Series 2021 Bonds are to be paid other than at maturity.

## **ARTICLE VIII**

### **MISCELLANEOUS**

**Section 8.1      Term of Loan Agreement.** This Loan Agreement shall be effective upon its execution and delivery and, subject to earlier termination upon prepayment in full of the Note and other amounts described in Articles IV, VI and VII, shall expire on the first date upon which the Series 2021 Bonds are no longer Outstanding; provided, however, that the covenants in Sections 5.5, 5.6 and 5.7 shall continue until the final maturity date of all Series 2021 Bonds or the earlier redemption date on which provision for payment for all Series 2021 Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301 of the Bond Indenture.

**Section 8.2      Notices.** Unless otherwise provided herein all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be provided in accordance with Section 1304 of the Bond Indenture.

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given hereunder by either the Authority or the Borrowers to the other shall also be given to the Bond Trustee. The Borrowers, the Bond Trustee or the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention they shall be directed.

**Section 8.3      Amendments to Loan Agreement and Note.** Neither this Loan Agreement nor the Note shall be amended or supplemented and no substitution shall be made for the Note before payment of the Series 2021 Bonds without the consent of the Bond Trustee and the Authority (except as described in Section 4.7), given in accordance with and subject to Article XII of the Bond Indenture.

**Section 8.4      Successors and Assigns.** This Loan Agreement shall be binding on, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 8.5      Severability.** If any provision of this Loan Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

**Section 8.6      Applicable Law; Entire Understanding.** This Loan Agreement and the Note shall be governed by the applicable laws of the Commonwealth of Virginia. This Loan Agreement and the Note (including the applicable provisions of the Bond Indenture, the Master Indenture and the Tax Agreement express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

**Section 8.7      Limitation of Liability of Directors of Authority.** No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, trustee, officer, employee or agent of the Authority or the Borrowers in his individual capacity so long as he acts in good faith, and no such director, officer, employee or agent shall be subject to any liability under this Loan Agreement or the Note or with respect to any other action taken by him provided that he acts in good faith.

**Section 8.8      Counterparts.** This Loan Agreement may be executed in several counterparts, each of which together shall be an original and all of which shall constitute one instrument.

**Section 8.9      Further Assurances.** The Authority and the Borrowers agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Loan Agreement.

**Section 8.10      USA Freedom Act Requirements of the Bond Trustee.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Bond Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Bond Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Section 8.11      Third Party Beneficiary.** The Bond Trustee shall be a third party beneficiary under this Loan Agreement.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the Authority and the Borrowers have caused this Loan Agreement to be executed in their respective corporate names [[[it being specifically acknowledged that all Borrowers have the same person serving in the office of President and Chief Executive Officer and each intends to be bound by his single signature below)]]]<sup>1</sup>.

**VIRGINIA SMALL BUSINESS FINANCING  
AUTHORITY**

By: \_\_\_\_\_  
Chair

**VIRGINIA BAPTIST HOMES, INC. (d/b/a  
LIFESPIRE OF VIRGINIA),**

**CULPEPER BAPTIST RETIREMENT  
COMMUNITY, INC. (d/b/a THE CULPEPER),**

**LAKEWOOD MANOR BAPTIST  
RETIREMENT COMMUNITY, INC.,**

**NEWPORT NEWS BAPTIST RETIREMENT  
COMMUNITY, INC. (d/b/a THE  
CHESAPEAKE),**

**THE GLEBE, INC. and**

\_\_\_\_\_

Each By: \_\_\_\_\_  
Jonathan R. Cook, President and Chief  
Executive Officer

\_\_\_\_\_  
<sup>1</sup> To be confirmed upon formation of the new entity.

## RECEIPT

Receipt of the foregoing original counterpart of the Loan Agreement dated as of July 1, 2021, between the Virginia Small Business Financing Authority, and Virginia Baptist Homes, Inc. (d/b/a/ LifeSpire of Virginia), Culpeper Baptist Retirement Community, Inc. (d/b/a The Culpeper), Lakewood Manor Baptist Retirement Community, Inc., Newport News Baptist Retirement Community, Inc. (d/b/a The Chesapeake), The Glebe, Inc. and \_\_\_\_\_ is hereby acknowledged.

**U.S. BANK NATIONAL ASSOCIATION**, as  
Bond Trustee

By: \_\_\_\_\_  
Authorized Agent

## **RESOLUTION OF THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

The Virginia Small Business Financing Authority (the "Authority"), a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") is empowered by the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the "Act"), to lend monies to eligible Virginia businesses in order to promote and develop industrial development and to further the long-term economic development of the Commonwealth through the improvement of its tax base and the promotion of employment.

WHEREAS, the Authority currently administers, pursuant to its authority under the Public Works and Economic Development Act of 1965 (PWEDA) (42 U.S.C. § 3121 *et seq.*), three grants used to capitalize a Revolving Loan Fund (RLF) bearing Economic Development Administration (EDA) award number(s) **01-19-01653**, **01190299T** and **01-4903400** (the "Award").

WHEREAS, the Authority (the "Recipient") has submitted a written request that EDA release its federal interest in the Award consistent with the requirements of the Reinvigorating Lending for the Future Act (Pub. L. 116-192 (the "Request")).

WHEREAS, the Authority has determined that 1) more than seven years have passed since the final EDA disbursement to Recipient of funds under the Award (the "Award Funds"); 2) the Authority has complied with the terms and conditions of the Award; and 3) the Authority agrees to use the Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA.

### **NOW, THEREFORE, THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY AGREES AS FOLLOWS:**

The Virginia Small Business Financing Authority as Recipient agrees to use Award Funds to operate a Revolving Loan Fund direct loan program or other activities that continue to accomplish the economic development purposes of PWEDA, and agrees the Authority:

1. Shall not use Award Funds to construct schools, community centers, municipal buildings, or otherwise use Award Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall Recipient use Award Funds to pay general costs of government.
2. Shall not transfer Award Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Award Funds may be used to contract with for-profit entities for goods and services for one or more activities that continue to carry out the economic development purposes of PWEDA and to operate an RLF that makes loans to for-profit organizations.
3. Shall utilize the Award Funds in a manner consistent with EDA's non-relocation policy. Specifically, Recipient shall not use Award Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.

4. Shall utilize the Award Funds in accordance with section 602 of PWEDA (42 U.S.C. § 3212). Specifically, Recipient shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Award Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
5. Shall utilize the Award Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. Recipient may not use Award Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Award Funds were expended directly by the Federal Government.
6. Shall provide timely and accurate responses to EDA inquiries regarding Recipient's use of the Award Funds. Following the release of EDA's federal interest, EDA remains interested in working with Recipient to promote Recipient's RLF or other activities that continue to carry out the economic development purposes of PWEDA.

This resolution shall be effective immediately.

#### **CERTIFICATE**

The undersigned Secretary of the Virginia Small Business Financing Authority (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on June 8, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of June 8, 2021.

---

Secretary, Virginia Small Business Financing  
Authority

**Virginia Small Business Financing Authority**

**Board of Directors Loan Business Meeting – June 8, 2020**

**Ratification of Staff Loan Decisions for May 2020**

**APPROVED**

<b><u>Loan Program</u></b>	<b><u>Amount of VSBFA Financing Assistance Requested</u></b>	<b><u>Lending Manager</u></b>
<b>Child Care Financing Program</b>		
Montessori Children's House of Lucketts	\$10,000	Karen White
<b>SWaM Business Microloan Fund</b>		
Kylla Custom Rock Wear LLC	\$15,000	Karen White
Montessori Children's House of Lucketts	\$25,000	Karen White

**DECLINED**

<b>Child Care Financing Program</b>		
DJ Shining Stars Day Care	\$10,000	Karen White
<b>SWaM Business Microloan Fund</b>		
BHS Consulting LLC	\$15,000	Karen White
Showtime Landscaping & Development LLC	\$25,000	Karen White
Showtime Logistics & Transportation LLC	\$25,000	Karen White

All loans unanimously ratified by VSBFA Board of Directors on June 8, 2021.

---

Howard F. Pisons, Executive Director

## CREDIT SUMMARY CHILD CARE FINANCING PROGRAM

<b>Borrower:</b>	Montessori Children's House of Lucketts LLC	<b>Date:</b>	04/30/2021
<b>Address:</b>	13499 Eagles Rest Drive Leesburg, VA 20176	<b>Project Manager:</b>	K. White
<b>Locality/Region:</b>	Loudoun County	<b>Jobs Created</b>	15
<b>Planning District</b>	District #8- Northern	<b>Jobs Saved</b>	0
<b>Rural/Distressed</b>	No/No		
<b>Yes or No?</b>			
<b>Company Contact:</b>	Hatsumi Mann, Owner	<b>Date of Last FYE:</b>	11/10/20
<b>Name</b>			
<b>Phone number</b>	(732) 372-2496	<b>SIC/NAICS</b>	624410
	<a href="mailto:hatsumi.mann@yahoo.com">hatsumi.mann@yahoo.com</a>	<b>Start-up Yes or No</b>	No

### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$10,000.00	Working Capital for inventory expand business	N/A	\$10,000.00

### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
0%	Principal paid monthly through ACH deductions	Approximately \$119.00 (e) principal per month	84 months from origination date

### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets (Proceeds to be funded against eligible invoices)	100%	N/A	N/A

### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Hatsumi Mann	\$37K	\$5K	\$32K	Dated 03/30/2021
Kenneth Mann	\$317K	\$7K	\$310K	Dated 04/20/2021

### Covenants

None.

### Conditions of Approval

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

- ☐ Male  
☒ Female  
☐ Male and Female

Race:

- ☒ Asian  
☐ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

- ☐ Yes

### Approval

By: Karen T. White

By: Anna Mackley

By: \_\_\_\_\_

Date: 04/30/2021

Date: 05/03/2021

Date: \_\_\_\_\_

### Funding Sources

VSBFA      \$ 10,000

Other Private      \$ \_\_\_\_\_

Private      \$ \_\_\_\_\_

Equity      \$ \_\_\_\_\_

Total Project      \$ 10,000

### Project Type

(Check one)

Start-up \_\_\_\_\_

Expansion X

Retention \_\_\_\_\_



**Credit Memorandum  
Child Care Financing Program  
Microloan Program**

Date:	04/30/2021
Borrower:	Montessori Children's House of Lucketts LLC
RLM:	Karen T. White

**REQUEST**

The borrower is requesting a CCFP Loan (Family Home Provider) of \$10,000 (CCFP) and a \$25,000 (Microloan) to purchase inventory for a business expansion. Therefore the total ask is \$35,000.

**BUSINESS DESCRIPTION AND LOCATION**

The borrower is a VDSS licensed family home provider operating Monday through Friday from 7:00am-6:00pm. Montessori Children's House of Lucketts (MCHL) provides day care services for children ages 6 weeks to 6 years old. MCHL located in Lockett, Virginia, opened in 2016. The borrower offers an authentic program strictly focusing on the Montessori philosophy. The goal is to provide a genuine environment concentrating on the individualism of each child. The borrower has the capacity to serve up to 12 children.

The objective of the Montessori education is to foster a child's natural inclination to learn. Montessori teachers guide rather than instruct, linking each student with activities that meet his/her interests, needs, and developmental level. Some famous individuals of Montessori schools are Jeff Bezos, founder of Amazon, Taylor Swift, Grammy Award winning singer/song writer, and Sean "P. Diddy" Combs, record producer, actor, and entrepreneur. This model provides great value to society as a whole by enhancing the talent, skills and abilities of the future citizens.

To offer an authentic Montessori program, the classroom must have the appropriate Montessori materials available to implement a successful program. The purpose of the borrower's request is to purchase the initial materials and supplies for the business expansion, and create new jobs.

**LOAN STRUCTURE**

Amount	Term	Interest Rate	Payment Amount	Maturity
\$10,000	84 months	0%	\$119.00 (est.)	84 months
\$25,000	48 months	5.25%	\$579.00 (est.)	48 months

## COLLATERAL

Type	Lien Position	Value	LTV	Value Source	Value Date
Business Equipment	1st	\$10,000	100%		none
Business Equipment	1st	\$25,000	100%		none
<b>TOTAL</b>		<b>\$35,000</b>			
The assets being financed will be held as collateral for the loan.					

## FINANCIAL SUMMARY

- Borrower

The borrower reflects a net profit of \$57k in 2019 and \$39K in 2020 respectively. Therefore, MCHL demonstrates a 32% decrease in net profit from 2019 to 2020 due to Covid19. The 2020 tax returns have not been filed so the projections are based on the 2019 tax returns and a 2020 P&L statement.

The borrower was awarded a \$52K PPP loan with Navy Federal which is currently in deferment. The debt service is included in the global cash flow chart below to decrease the level of risk for the VSBFA. See Appendix A below.

Target Range Matrix	Global DSC	Business	Consumer DTI	Personal
Acceptable	1.50X		57%	
Desired Level	2.00X		50%	
Good+	2.75X	2.48X	40%	30%

- Guarantor(s)

Name	Liquid Assets	Total Assets	Total Liabilities	Net Worth	PFS Date
Hatsumi Mann	\$31K	\$37K	\$5K	\$32K	03/30/21
Kenneth Mann	\$17K	\$317K	\$7K	\$310K	04/20/21

The guarantor, Hatsumi Mann has 100% ownership in the business. She has nine (9) years of experience in Montessori schools both in Japan and Virginia. She earned her two (2) year Montessori teacher training certificate from the Progressive Montessori Training Centre while living in Japan. Also, she has a degree in Early Childhood Education and she taught English as a second language (ESL) to Japanese students while residing in Okinawa. Hatsumi

operated MCHL since 2016. The guarantor reflects 15 open trades on the credit report, all paid 0/30. The guarantor's credit score is 818.

Kenneth Mann (second guarantor) does not have ownership in the business. He is providing a guarantee to strengthen the loan. He is the process of refinancing their home. Therefore, in order to defray having a negative impact on Kenneth's credit score, his credit report was not pulled. Kenneth is employed as the COO at Inmarsat Government Inc. a wholly-owned subsidiary of Inmarsat Group Holdings Limited, the world's leading provider of global mobile satellite communications to the United States government. Kenneth is a veteran of the U.S. Army with over 15 years of experience in satellite communications. His military career covered many areas to include satellite payload and Telemetry, Tracking, and Control (TT&C), Engineering, VSAT operation and maintenance, Teleport operations and maintenance, and system testing and development.

#### **APPROVAL CONDITIONS**

- None
- 

#### **POLICY OR PROGRAM EXCEPTIONS**

- None
- 

#### **RECOMMENDATION**

##### Strengths

- The business has the ability to service the debt
- The guarantor has the ability to serve the debt.

##### Weaknesses

- None noted

##### Conclusion

The RLM recommends approval of the borrowers request based on their ability to service the debt.



## TOTAL BORROWER EXPOSURE

This Request	\$10,000 and \$25,000
Other Direct Debt	\$
Contingent Liabilities or Guarantees	
Total	\$35,000

## APPROVAL

Title	Signature	Date
Regional Lending Manager	<i>Karen T. White</i>	05/7/2021
Chief Credit Officer	<i>Anna Mackley</i>	05/10/2021
Executive Director		

## CREDIT SUMMARY

### SMALL BUSINESS MICROLOAN PROGRAM

<b>Borrower:</b>	Kylla Custom Rock Wear LLC	<b>Date:</b>	04/28/2021
<b>Address:</b>	1472 Gray Stone Ct Charlottesville, VA 22902	<b>Project Manager:</b>	K. White
<b>Locality/Region:</b>	Albemarle County	<b>Jobs Created</b>	1
<b>Planning District</b>	District #10- 6 Central	<b>Jobs Saved</b>	1
<b>Rural/Distressed Yes or No?</b>	No/No		
<b>Company Contact: Name</b>	Kimberly Dylla, Owner	<b>Date of Last FYE:</b>	12/31/20
<b>Phone number</b>	(434) 989-6233 <a href="mailto:kyllacustomrockwear@gmail.com">kyllacustomrockwear@gmail.com</a>	<b>SIC/NAICS</b>	711510
		<b>Start-up Yes or No</b>	No

#### Loan Request

<b>Amount</b> \$15,000	<b>Use of Funds</b> Working Capital for inventory expand business	<b>Other Lender(s)/Source of Funds</b> N/A	<b>Total Project Cost</b> \$15,000.00
---------------------------	---	---	--

#### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
Wall Street Journal Prime Rate + 2% [3.25% +2.00% = 5.25%]	Principal and interest paid monthly through ACH deductions	Approximately \$347.14 (e) principal and interest per month	48 months from origination date

#### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets	N/A	N/A	N/A

#### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Kimberly Dylla	\$ 23K	\$10K	\$13 K	04/12/2021

#### Covenants

None.

#### Conditions of Approval

None.

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

- ☐ Male  
☒ Female  
☐ Male and Female

Race:

- ☐ Asian  
☐ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☒ White

Hispanic:

- ☐ Yes

### Approval

By: Karen T. White

By: Anna Mackley

By: \_\_\_\_\_

Date: 05/26/2021

Date: 06/01/21

Date: \_\_\_\_\_

### Funding Sources

VSBA      \$ 15,000

Existing VSBA Debt      \$ 9,923

Other Private      \$ \_\_\_\_\_

Private      \$ \_\_\_\_\_

Equity      \$ \_\_\_\_\_

Total Project      \$ 24,923

### Project Type

(Check one)

Start-up \_\_\_\_\_

Expansion X

Retention \_\_\_\_\_



## Credit Memorandum Microloan Program

Date:	04/28/2021
Borrower:	Kylla Custom Rock Wear LLC
RLM:	Karen T. White

### REQUEST

The borrower is requesting working capital of \$15,000 to purchase inventory for a business expansion.

### BUSINESS DESCRIPTION AND LOCATION

The borrower operates an ecommerce business manufacturer producing high quality custom stage wear and wrestling gear at affordable prices to entertainers. Kylla (KILL-ah) Custom Rock Wear LLC, located in Charlottesville, opened operations in 2012.

Kylla Custom Rock Wear is taking the punk rock ethic to the arena rock level by shipping thousands of their handmade creations worldwide. The product line includes the customer clothing line, accessories, and the Kylla logo merchandise. They create unique designs that echo the vision of our artist's music or performer's character, whether they are independent, local or touring internationally. The merchandise is designed for the touring musician and pro wrestler to be durable and comfortable both on stage, in the ring, as well as every day wear. The garments fill a unique niche in the rock fashion and custom gear market. The borrower has a manufactured Ready-to-Wear collections in various sizes! The ecommerce has clients in over 70 countries. Some of the borrower's customers include but are not limited to are:

- Alice Cooper
- Judas Priest
- WWE-Chris Jericho
- WWE-Randy Orton

The borrower has niche market with growing a clientele.

### LOAN STRUCTURE

Amount	Term	Interest Rate	Payment Amount	Maturity
\$15,000	48 months	*5.25%	\$347.14 (est.)	48 months
*WSJP 3.25% + 2% base point = 5.25% rate				

## COLLATERAL

Type	Lien Position	Value	LTV	Value Source	Value Date
Business Equipment	1st	\$15,000	100%		none
<b>TOTAL</b>		<b>\$15,000</b>			
The assets being financed will be held as collateral for the loan.					

## FINANCIAL SUMMARY

- Borrower

The borrowers DSCR is 2.22X and the Global DSCR is 1.63X. The business incurred a 27% decrease in revenue during the 2020. The revenue for the first quarter of 2021 is increase by 11% compared to the 2020 revenue. The borrower financials reflects a consistent stream of revenue. Currently, Kylla has an order to fill in the second quarter that will generate revenue for the business. The loan proceeds will be used to purchase the raw material and finished goods to fill the order which increases the value of the collateral for the loan request. The borrower has an existing loan with the VSBFA which has been paid 0/30. Global Cashflow is positive based on historical operating results and indicates the ability to repay the proposed debt. See the Appendix below.

- Guarantor(s)

Name	Liquid Assets	Total Assets	Total Liabilities	Net Worth	PFS Date
Kimberly Dylla	\$23K	\$ 57 K	\$ 10 K	\$47K	04/12/21

The guarantor Kimberly Dylla, has 100% ownership in the business. She is a metal vocalist and designer of the Kylla Custom Rock Wear brand. The credit reports reflects a score is 804 with 15 open trades totaling \$22K, all paid 0/30.

## APPROVAL CONDITIONS

- None
-

## POLICY OR PROGRAM EXCEPTIONS

- None

## RECOMMENDATION

### Strengths

- The business has the ability to service the debt and a good prior repayment history with the VSBFA.
- The guarantor has a good personal credit score.

### Weaknesses

- None noted

### Conclusion

The RLM recommends approval of the borrowers request based on the business's ability to service the debt.

## TOTAL BORROWER EXPOSURE

This Request	\$15,000
Other Direct Debt	\$9,923
Contingent Liabilities or Guarantees	
Total	\$24,923

## APPROVAL

Title	Signature	Date
Regional Lending Manager	<i>Karen T. White</i>	06/02/2021
Chief Credit Officer	<i>Anna Mackley</i>	06/02/2021
Executive Director		

**Appendix**

Global Cash Flow Template			
	2019	2020	3/31/2021
<b>Business Name: _Kylla Custom Rock Wear LLC</b>			
<b>BUSINESS CASH FLOW</b>			
Net Income (Loss) after Tax_ Kylla Custom Rock	\$17,203.00	\$17,479.00	\$7,945.00
Net Income (Loss) after Tax_			
+ Depreciation / Amortization	\$21,331.00	\$10,651.00	
+ Interest Expense			
- Non-deductible Expenses			
- Distributions / Dividends paid out			
- Maintenance Capital Expenditures			
+/- Other Adjustments			
<b>Net Business Cash Available for Debt Service</b>	<b>\$38,534.00</b>	<b>\$28,130.00</b>	<b>\$7,945.00</b>
<u>Business Debt Service</u>			
Interest Expense			
CMLTD - prior year			
Debt Service - existing	\$5,712.00	\$5,712.00	\$1,428.00
Debt Service -New_ <b>VSBFA</b>	\$4,165.00	\$4,165.00	\$1,041.00
<b>Total Business Debt Service</b>	<b>\$9,877.00</b>	<b>\$9,877.00</b>	<b>\$2,469.00</b>
<b>Business Net Cash Flow Surplus (Deficit)</b>	<b>\$28,657.00</b>	<b>\$18,253.00</b>	<b>\$5,476.00</b>
<i>Business Debt Service Coverage Ratio</i>	2.90x	1.85x	2.22x
<b>Name(s): Kimberly Dylla</b>	<b>2019</b>	<b>2020</b>	<b>3/31/2021</b>
<b>PERSONAL CASH FLOW</b>			
Salary / Wage Income			
Salary / Wage Income			
Interest & Dividend Income			
Schedule C - Sole Proprietorship(s)			
Schedule D - Capital Gains actual cash received			
Schedule E - Non-passive Income (rental)			
Schedule F - Farming Income			
Schedule K-1 - Net Distributions (Contributions)			
Other Income			
- Income Taxes Paid	-\$2,638.00	-\$2,989.00	-\$660.00

- Other Taxes and Expenses			
- Personal Living Expenses 10%	-\$987.70	-\$987.70	-\$246.90
+/- Other Adjustments			
<b>Net Personal Cash Available for Debt Service</b>	<b>-\$3,625.70</b>	<b>-\$3,976.70</b>	<b>-\$906.90</b>
<u>Personal Debt Service</u>			
Mortgage or Rent	\$7,200.00	\$7,200.00	\$1,800.00
Debt Service - Schedules C, E, & F			
Debt Service - existing	\$780.00	\$780.00	\$195.00
Debt Service - new_VSBFA			
<b>Total Personal Debt Service</b>	<b>\$7,980.00</b>	<b>\$7,980.00</b>	<b>\$1,995.00</b>
<b>DTI</b>	<b>NEG</b>	<b>NEG</b>	<b>NEG</b>
<b>Personal Net Cash Flow Surplus (Deficit)</b>	<b>-\$11,605.70</b>	<b>-\$11,956.70</b>	<b>-\$2,901.90</b>
<i>Personal Debt Service Coverage Ratio</i>	<i>-0.45x</i>	<i>-0.50x</i>	<i>-0.45x</i>
	<b>2019</b>	<b>2020</b>	<b>3/31/2021</b>
<b>GLOBAL CASH FLOW</b>			
<b>Global Net Cash Available for Debt Service</b>	<b>\$34,908.30</b>	<b>\$24,153.30</b>	<b>\$7,038.10</b>
<b>Global Debt Service</b>	<b>\$17,857.00</b>	<b>\$17,857.00</b>	<b>\$4,464.00</b>
<b>Global Net Cash Flow</b>	<b>\$17,051.30</b>	<b>\$6,296.30</b>	<b>\$2,574.10</b>
<i>Global Debt Service Coverage Ratio</i>	<i>1.95x</i>	<i>1.35x</i>	<i>1.58x</i>

Kimberly Dylla					Kylla Custom Rock Wear LLC				
			804 Credit Score						
Personal Debt					Business Debt				
Payment	Annual	Balance	High Credit		Payment		Balance	High Credit	
\$ 6.00	\$ 72.00	\$ 6.00	\$ 9,286.00	Wells Fargo	\$ 476.00	\$ 5,712.00	\$ 9,923.00	\$ 20,000.00	VSBFA
\$ 59.00	\$ 708.00	\$ 59.00	\$ 12,687.00	Citi Bank		\$ -			
	\$ -			*		\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
	\$ -					\$ -			
\$ 65.00	\$ 780.00	\$ 65.00	\$ 21,973.00		\$ 476.00	\$ 5,712.00	\$ 9,923.00	\$ 20,000.00	
				15 open paid 0 /	\$ 347.14	\$ 4,165.68	\$ 15,000.00	\$ 15,000.00	VSBFA
					\$ 823.14	\$ 9,877.68	New Business Debt Service		

## CREDIT SUMMARY

### SMALL BUSINESS MICROLOAN PROGRAM

<b>Borrower:</b>	Montessori Children's House of Lucketts LLC	<b>Date:</b>	04/30/2021
<b>Address:</b>	13499 Eagles Rest Drive Leesburg, VA 20176	<b>Project Manager:</b>	K. White
<b>Locality/Region:</b>	Loudoun County	<b>Jobs Created</b>	15
<b>Planning District</b>	District #8- Northern	<b>Jobs Saved</b>	0
<b>Rural/Distressed</b>	No/No		
<b>Yes or No?</b>			
<b>Company Contact:</b>	Hatsumi Mann, Owner	<b>Date of Last FYE:</b>	11/10/20
<b>Name</b>			
<b>Phone number</b>	(732) 372-2496	<b>SIC/NAICS</b>	624410
	<a href="mailto:hatsumi.mann@yahoo.com">hatsumi.mann@yahoo.com</a>	<b>Start-up Yes or No</b>	No

#### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$25,000.00	Working Capital for inventory expand business	N/A	\$25,000.00

#### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
Wall Street Journal Prime Rate + 2% [3.25% +2.00% = 5.25%]	Principal and interest paid monthly through ACH deductions	Approximately \$579.00 (e) principal and interest per month	48 months from origination date

#### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets (Shared w/blanket lien for VSBFA CCFP loan)	N/A	N/A	N/A

#### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Hatsumi Mann	\$37K	\$5K	\$32K	Dated 03/30/2021
Kenneth Mann	\$317K	\$7K	\$310K	Dated 04/20/2021

#### Covenants

None.

#### Conditions of Approval

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

- ☐ Male  
☒ Female  
☐ Male and Female

Race:

- ☒ Asian  
☐ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

- ☐ Yes

### Approval

By: Karen T. White

By: Anna Mackley

By: \_\_\_\_\_

Date: 04/30/2021

Date: 05/03/2021

Date: \_\_\_\_\_

### Funding Sources

VSBFA      \$ 25,000

Other Private      \$ \_\_\_\_\_

Private      \$ \_\_\_\_\_

Equity      \$ \_\_\_\_\_

Total Project      \$ 25,000

### Project Type

(Check one)

Start-up \_\_\_\_\_

Expansion X

Retention \_\_\_\_\_



**Credit Memorandum  
Child Care Financing Program  
Microloan Program**

Date:	04/30/2021
Borrower:	Montessori Children's House of Lucketts LLC
RLM:	Karen T. White

**REQUEST**

The borrower is requesting a CCFP Loan (Family Home Provider) of \$10,000 (CCFP) and a \$25,000 (Microloan) to purchase inventory for a business expansion. Therefore the total ask is \$35,000.

**BUSINESS DESCRIPTION AND LOCATION**

The borrower is a VDSS licensed family home provider operating Monday through Friday from 7:00am-6:00pm. Montessori Children's House of Lucketts (MCHL) provides day care services for children ages 6 weeks to 6 years old. MCHL located in Lockett, Virginia, opened in 2016. The borrower offers an authentic program strictly focusing on the Montessori philosophy. The goal is to provide a genuine environment concentrating on the individualism of each child. The borrower has the capacity to serve up to 12 children.

The objective of the Montessori education is to foster a child's natural inclination to learn. Montessori teachers guide rather than instruct, linking each student with activities that meet his/her interests, needs, and developmental level. Some famous individuals of Montessori schools are Jeff Bezos, founder of Amazon, Taylor Swift, Grammy Award winning singer/song writer, and Sean "P. Diddy" Combs, record producer, actor, and entrepreneur. This model provides great value to society as a whole by enhancing the talent, skills and abilities of the future citizens.

To offer an authentic Montessori program, the classroom must have the appropriate Montessori materials available to implement a successful program. The purpose of the borrower's request is to purchase the initial materials and supplies for the business expansion, and create new jobs.

**LOAN STRUCTURE**

Amount	Term	Interest Rate	Payment Amount	Maturity
\$10,000	84 months	0%	\$119.00 (est.)	84 months
\$25,000	48 months	5.25%	\$579.00 (est.)	48 months

## COLLATERAL

Type	Lien Position	Value	LTV	Value Source	Value Date
Business Equipment	1st	\$10,000	100%		none
Business Equipment	1st	\$25,000	100%		none
<b>TOTAL</b>		<b>\$35,000</b>			
The assets being financed will be held as collateral for the loan.					

## FINANCIAL SUMMARY

- Borrower

The borrower reflects a net profit of \$57k in 2019 and \$39K in 2020 respectively. Therefore, MCHL demonstrates a 32% decrease in net profit from 2019 to 2020 due to Covid19. The 2020 tax returns have not been filed so the projections are based on the 2019 tax returns and a 2020 P&L statement.

The borrower was awarded a \$52K PPP loan with Navy Federal which is currently in deferment. The debt service is included in the global cash flow chart below to decrease the level of risk for the VSBFA. See Appendix A below.

Target Range Matrix	Global DSC	Business	Consumer DTI	Personal
Acceptable	1.50X		57%	
Desired Level	2.00X		50%	
Good+	2.75X	2.48X	40%	30%

- Guarantor(s)

Name	Liquid Assets	Total Assets	Total Liabilities	Net Worth	PFS Date
Hatsumi Mann	\$31K	\$37K	\$5K	\$32K	03/30/21
Kenneth Mann	\$17K	\$317K	\$7K	\$310K	04/20/21

The guarantor, Hatsumi Mann has 100% ownership in the business. She has nine (9) years of experience in Montessori schools both in Japan and Virginia. She earned her two (2) year Montessori teacher training certificate from the Progressive Montessori Training Centre while living in Japan. Also, she has a degree in Early Childhood Education and she taught English as a second language (ESL) to Japanese students while residing in Okinawa. Hatsumi

operated MCHL since 2016. The guarantor reflects 15 open trades on the credit report, all paid 0/30. The guarantor's credit score is 818.

Kenneth Mann (second guarantor) does not have ownership in the business. He is providing a guarantee to strengthen the loan. He is the process of refinancing their home. Therefore, in order to defray having a negative impact on Kenneth's credit score, his credit report was not pulled. Kenneth is employed as the COO at Inmarsat Government Inc. a wholly-owned subsidiary of Inmarsat Group Holdings Limited, the world's leading provider of global mobile satellite communications to the United States government. Kenneth is a veteran of the U.S. Army with over 15 years of experience in satellite communications. His military career covered many areas to include satellite payload and Telemetry, Tracking, and Control (TT&C), Engineering, VSAT operation and maintenance, Teleport operations and maintenance, and system testing and development.

#### **APPROVAL CONDITIONS**

- None
- 

#### **POLICY OR PROGRAM EXCEPTIONS**

- None
- 

#### **RECOMMENDATION**

##### Strengths

- The business has the ability to service the debt
- The guarantor has the ability to serve the debt.

##### Weaknesses

- None noted

##### Conclusion

The RLM recommends approval of the borrowers request based on their ability to service the debt.



## TOTAL BORROWER EXPOSURE

This Request	\$10,000 and \$25,000
Other Direct Debt	\$
Contingent Liabilities or Guarantees	
Total	\$35,000

## APPROVAL

Title	Signature	Date
Regional Lending Manager	<i>Karen T. White</i>	05/7/2021
Chief Credit Officer	<i>Anna Mackley</i>	05/10/2021
Executive Director		

## CHILD CARE FINANCING PROGRAM CREDIT SUMMARY

<b>Borrower:</b>	DJ Shining Stars Daycare	<b>Date:</b>	05/17/2021
<b>Address:</b>	6911 Able Road Chesterfield, VA 23832	<b>Project Manager:</b>	K. White
<b>Locality/Region:</b>	Chesterfield	<b>Jobs Created</b>	0
<b>Planning District</b>	District #15- Central #6	<b>Jobs Saved</b>	0
<b>Rural/Distressed Yes or No?</b>	No/No		
<b>Company Contact:</b>	DeShonda Jennings	<b>Date of Last FYE:</b>	00/00/0000
<b>Name</b>	deshondajennings@outlook.com	<b>SIC/NAICS</b>	624110
<b>Phone number</b>	(804) 928 6752	<b>Start-up Yes or No</b>	No

### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$10,000.00	Playground equipment, educational equipment, electrical work in playroom	N/A	\$10,000.00

### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
0%	84 months principal paid monthly through ACH.	Approximately \$119.00 € per month	84 months from origination date

### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets	N/A	N/A	N/A

### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
DeShonda Jennings	\$K	\$K	\$K	Dated 00/00/0000

### Covenants

None.

### Conditions of Denial

The guarantor has a bankruptcy, several collections and a federal tax lien on the credit report. .

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      X Yes

Please indicate:

Gender:

- ☐ Male  
☒ Female  
☐ Male and Female

Race:

- ☐ Asian  
☒ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

- ☐ Yes

Denial

By: Karen T. White

By: [Signature]

By: [Signature]

Date: 05/24/2021

Date: 5/24/2021

Date:                     

#### Funding Sources

VSBAFA      \$ 10,000  
Other Private      \$                       
Private      \$                       
Equity      \$                     

Total Project      \$ 10,000

#### Project Type

(Check one)

Start-up                       
Expansion X  
Retention

# CREDIT SUMMARY

## SMALL BUSINESS MICROLOAN PROGRAM

<b>Borrower:</b>	<b>BHS Consulting, LLC</b>	<b>Date:</b>	<b>04/28/2021</b>
<b>Address:</b>	<b>2628 Winona Dr. E. Hampton, VA 23661</b>	<b>Project Manager:</b>	<b>K. White</b>
<b>Locality/Region:</b>	<b>Hampton City</b>	<b>Jobs Created</b>	<b>1</b>
<b>Planning District</b>	<b>District #23- 5 Tidewater</b>	<b>Jobs Saved</b>	<b>1</b>
<b>Rural/Distressed Yes or No?</b>	<b>No/No</b>		
<b>Company Contact:</b>	<b>Barbara H. Smith, Owner</b>	<b>Date of Last FYE:</b>	<b>12/31/20</b>
<b>Name</b>			
<b>Phone number</b>	<b>(757) 256-9052</b>	<b>SIC/NAICS</b>	<b>611420</b>
	<b><a href="mailto:bhsmith@peakcoachtrain.com">bhsmith@peakcoachtrain.com</a></b>	<b>Start-up Yes or No</b>	<b>No</b>

### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$15,000.00	Working Capital for inventory expand business	N/A	\$15,000.00

### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
Wall Street Journal Prime Rate + 2% [3.25% +2.00% = 5.25%]	Principal and interest paid monthly through ACH deductions	Approximately \$347.14 (e) principal and interest per month	48 months from origination date

### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets	N/A	N/A	N/A

### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Barbara H. Smith	\$664K	\$331K	\$333K	Dated 04/16/21

### Covenants

None.

### Conditions of Decline

The borrower does not display the ability to service the debt.

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

- ☐ Male  
☒ Female  
☐ Male and Female

Race:

- ☐ Asian  
☒ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

- ☐ Yes

Decline

By: Karen T. White

By: 

By: 

Date: 05/07/2021

Date: 

Date: 6/3/21

**Funding Sources**

VSBA \$ 15,000

Other Private \$

Private \$

Equity \$

Total Project \$ 15,000

**Project Type**

(Check one)

Start-up

Expansion X

Retention

## CREDIT SUMMARY SMALL BUSINESS MICROLOAN PROGRAM

<b>Borrower:</b>	Showtime Landscaping & Development LLC	<b>Date:</b>	04/29/2021
<b>Address:</b>	11515 McKenney Hwy McKenney, VA 23872	<b>Project Manager:</b>	K. White
<b>Locality/Region:</b>	Dinwiddie County	<b>Jobs Created</b>	0
<b>Planning District</b>	District #19- Central	<b>Jobs Saved</b>	0
<b>Rural/Distressed Yes or No?</b>	No/No		
<b>Company Contact:</b>	Michael S. Brown, Owner	<b>Date of Last FYE:</b>	00/00/00
<b>Name</b>			
<b>Phone number</b>	(703) 593-1553	<b>SIC/NAICS</b>	00000
		<b>Start-up Yes or No</b>	No

### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$25,000.00	Working Capital for inventory expand business	N/A	\$25,000.00

### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
Wall Street Journal Prime Rate + 2% [3.25% +2.00% = 5.25%]	Principal and interest paid monthly through ACH deductions	Approximately \$579.00 (e) principal and interest per month	48 months from origination date

### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets	N/A	N/A	N/A

### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Michael S. Brown	\$__K	\$__K	\$__K	Dated __/__/__

### Covenants

None.

### Conditions of Approval

The guarantor has a bankruptcy, several collections and a credit score of 527 which is below the requirements for the SWaM Microloan.

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

☒ Male  
☐ Female  
☐ Male and Female

Race:

☐ Asian  
☒ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

☐ Yes

Denial

By: Karen T. White

By: [Signature]

By: \_\_\_\_\_

Date: 05/24/2021

Date: 5/24/2021

Date: \_\_\_\_\_

**Funding Sources**

VSBA      \$ 25,000

Other Private      \$ \_\_\_\_\_

Private      \$ \_\_\_\_\_

Equity      \$ \_\_\_\_\_

Total Project      \$ 25,000

**Project Type**

(Check one)

Start-up \_\_\_\_\_

Expansion X

Retention \_\_\_\_\_

# CREDIT SUMMARY

## SMALL BUSINESS MICROLOAN PROGRAM

<b>Borrower:</b>	<b>Showtime Logistics Transportations LLC</b>	<b>Date:</b>	<b>04/29/2021</b>
<b>Address:</b>	<b>11515 McKenney Hwy McKenney, VA 23872</b>	<b>Project Manager:</b>	<b>K. White</b>
<b>Locality/Region:</b>	<b>Dinwiddie County</b>	<b>Jobs Created</b>	<b>0</b>
<b>Planning District</b>	<b>District #19- Central</b>	<b>Jobs Saved</b>	<b>0</b>
<b>Rural/Distressed Yes or No?</b>	<b>No/No</b>		
<b>Company Contact:</b>	<b>Michael S. Brown, Owner</b>	<b>Date of Last FYE:</b>	<b>00/00/00</b>
<b>Name</b>			
<b>Phone number</b>	<b>(703) 593-1553</b>	<b>SIC/NAICS</b>	<b>00000</b>
		<b>Start-up Yes or No</b>	<b>No</b>

### Loan Request

<b>Amount</b>	<b>Use of Funds</b>	<b>Other Lender(s)/Source of Funds</b>	<b>Total Project Cost</b>
\$25,000.00	Working Capital for inventory expand business	N/A	\$25,000.00

### Terms

<b>Rate</b>	<b>Repayment Schedule</b>	<b>Amount of Payment</b>	<b>Maturity Date</b>
Wall Street Journal Prime Rate + 2% [3.25% +2.00% = 5.25%]	Principal and interest paid monthly through ACH deductions	Approximately \$579.00 (e) principal and interest per month	48 months from origination date

### Collateral

<b>Type</b>	<b>Lien Position/Amt of Senior Lien</b>	<b>LTV Value</b>	<b>Source of Value</b>	<b>Date of Appraisal</b>
Business assets	UCC Lien all business assets	N/A	N/A	N/A

### Guarantors

<b>Name</b>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Net Worth</b>	<b>PFS Date</b>
Michael S. Brown	\$__K	\$__K	\$__K	Dated __/__/__

### Covenants

None.

### Conditions of Approval

The guarantor has a bankruptcy, several collections and a credit score of 527 which is below the requirements for the SWaM Microloan.

Does this business have any of the following:

Revenues of \$10 million or less, or  
A net worth of \$1 million or less, or  
50 or fewer employees?

Yes or No      yes

Minority owned business?      Yes or No      No

Please indicate:

Gender:

☒ Male  
☐ Female  
☐ Male and Female

Race:

☐ Asian  
☒ Black  
☐ Hawaiian or Pacific Islander  
☐ Native American  
☐ White

Hispanic:

☐ Yes

Denial

By: Karen T. White  
By: [Signature]  
By: [Signature]

Date: 05/24/2021  
Date: 5/27/21  
Date: \_\_\_\_\_

**Funding Sources**

VSBA      \$ 25,000  
Other Private      \$ \_\_\_\_\_  
Private      \$ \_\_\_\_\_  
Equity      \$ \_\_\_\_\_

Total Project      \$ 25,000

**Project Type**

(Check one)

Start-up \_\_\_\_\_  
Expansion X  
Retention \_\_\_\_\_